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TODAY: FASHION A Special Report, Pages 21-24

For American Voters, a Record Tune-Out

'Most Uninteresting Race of My Lifetime'

By Howard Kurtz
Washington Post Service

WASHINGTON — By every available measure, both the press and the public are tuning out the contest between President Bill Clinton and his Republican challenger, Bob Dole.

Only 24 percent of those questioned say they are following the election very closely, compared with 42 percent in 1992, according to a survey by the Pew Research Center. Four in 10 cannot name Mr. Dole's running mate. Ratings for the party conventions hit record lows, and viewership for the presidential debate last Sunday was down nearly 20 percent from four years ago.

Network news coverage of the campaign dropped 40 percent last month from 1992, while the number of front-page stories in The Washington Post declined by half. Newsmagazines, meanwhile, have turned to cover stories about adultery, diet pills and plastic surgery. "People are not connecting with this election," said Walter Isaacson, the managing editor of Time magazine. "The story of this election is why people aren't connecting."

Gore withstands Kemp's polemic and stays on message in televised debate. Page 3.

The big news organizations that field small armies to scour the country for quadrennial trends were prepared for every eventuality except the notion that people would be uninterested. They have interviewed angry white men, urban blacks, suburban evangelicals, Reagan Democrats and Clinton Republicans, but have detected little passion for either candidate. With the president maintaining a big lead in the polls, the campaign has become a referendum on the status quo, and the status quo is not bad.

See YAWN, Page 3

'I'm All Right, Jack'

Compiled by Our Staff From Dispatches

NEW YORK — Why are Americans not focusing on this year's presidential campaign with the same intensity as four years ago?

A look at the numbers tells at least part of the story. A CBS News Poll issued Wednesday concluded that 66 percent of Americans, more than at any time since 1988, believe the U.S. economy is in good shape.

Although some Americans continue to struggle economically and work two or more jobs per household to make ends meet, a large and growing number appear to believe there is no critical need for a course change.

The rallying cry of then-Governor Bill Clinton in the 1992 campaign was "change," and it came amid deep voter unease about the direction of the U.S. economy and its productivity in a competitive

See POLLS, Page 3

Tories Call Truce in Their War Over Europe

Jacqueline Arzt/The Associated Press

John Major and Kenneth Clarke linking hands to applause in Bournemouth on Thursday.

Reuters

BOURNEMOUTH, England — Warring factions in Britain's governing Conservative Party agreed Thursday to a truce over Europe after party leaders warned delegates that the next general election would be lost unless peace was declared.

The willingness of right-wingers to end the internecine conflict over Europe was signaled by a standing ovation given to Finance Minister Kenneth Clarke at the party's last conference before the election.

Mr. Clarke's staunch pro-Europeanism and refusal to promise a tax-cutting budget next month have made him the target of attacks by the party's Euroskeptic, minimal-tax wing.

But his appeal to delegates to "spend the next six months uniting" behind Prime Minister John Major's wait-and-see stance toward a single European currency and to concentrate their fire on the opposition Labor Party won him loud cheers.

To back up Mr. Clarke's message, echoed by other cabinet ministers at the conference that began Tuesday, Deputy Prime Minister Michael Heseltine attacked party members who generated press reports about disunity.

"By all means let us debate issues," he said. "Every party feeds on such debate.

"But what we should not tolerate is members of our party feeding the voracious appetite of a media anxious to headline any phrase, any whisper that harms our cause and serves our opponents."

The clearest sign that right-wingers were burying the hatchet came from Defense Minister Michael Portillo, the cabinet's leading right-winger,

See TORIES, Page 8

Ron Frehm/The Associated Press

Hey! Sign That Kid Up!

Baltimore said a young fan interfered with their outfielder's efforts to catch a fly ball in the first game of the Yankees-Orioles playoff, but the umpire ruled it a home run. Page 26.

Militia Foes Of Taleban Sign 3-Way Alliance

Battlefield Setbacks Put Kabul's Rulers Under New Pressure

By John F. Burns
New York Times Service

KHINJAN, Afghanistan — At an old Soviet guest house in the lee of the Hindu Kush, the last two military commanders holding out against the new Muslim fundamentalist government in Afghanistan forged a formal military alliance Thursday and vowed to establish a nonfundamentalist government in the nine northern provinces under their control.

Meeting for the first time in three years, Abdul Rashid Dustam and Ahmed Shah Masoud, military commander in the government that collapsed when the forces of the Taleban fundamentalists captured Kabul two weeks ago, signed a document creating the new alliance. The two commanders were joined by Abdul Karim Khalilli, a leader of the Shiite Muslim minority in Afghanistan, whose forces control a 10th province.

The government proclaimed by Taleban in Kabul, the capital, controls all the other 19 provinces, with the exception of a part of Parwan Province north of Kabul that is held by the forces of Mr. Masoud.

But events Thursday in the area immediately north of Kabul, where Taleban forces came under attack for the second time in three days, with dozens of Taleban casualties, underscored the uncertainties surrounding Taleban's ability to consolidate their power in Kabul.

The alliance proclaimed at the meeting at Khinjan, a market town 150 kilometers north of Kabul on the northern side of the Hindu Kush, opened a new and potentially crucial chapter in the 18 years of war in Afghanistan.

The new alignment appeared to mean that Taleban, instead of facing two enemy forces that have been divided against each other, will now face a common front, controlling an area of tens of thousands of square kilometers, and united by their hostility toward the harsh form of Muslim fundamentalism imposed by Taleban in areas under their control.

The document signed here committed the three leaders to establishing, without any stated deadline, "a permanent government" for Afghanistan that apparently will be based, at least initially, at the north-central town of Mazar-i Sharif, the military stronghold of Mr. Dustam.

The document also pledged the leaders to the formation of a body to be called the Supreme Defense Council of Afghanistan, and bound all three groups, and any others that may join them, to come to the defense of each other if attacked by Taleban.

The accord appeared to remove any doubt about the intentions of Mr. Dustam, the former Communist general who survived the collapse of the Soviet-installed government in Kabul in 1992 and became a powerful northern warlord in the chaotic civil war among rival Muslim guerrilla groups that ensued.

Taleban leaders had repeatedly appealed for Mr. Dustam to remain neutral while they move their troops against Mr. Masoud, one of the most formidable of the former guerrilla commanders, whose forces have retreated into the fastness of the Panjshir Valley northeast of Kabul.

But the alliance held out the possibility of something more threatening to Taleban than a stiffening of Mr. Masoud's defenses against the onslaught in the Panjshir, the possibility of there henceforth being two Afghanistans.

One of these would be the harsh one controlled by Taleban, where a spate of fundamentalist decrees have spread a deepening chill, especially for women, who have been banned from working; for girls, who have been prohibited from attending school, and for offenders against Islamic laws, who have been

See TALEBAN, Page 8

A Stranger in a Strange Land? Making Changes at Mazda

By Sandra Sugawara
Washington Post Service

HIROSHIMA — Probably the most famous foreign executive in Japan today is Henry Wallace, a gangly Scot who reports for work each morning at an ailing car company a few kilometers from the atomic bomb memorial here.

Sometimes it seems as if the whole country wants to know: Can he, will he dismantle customs that made Japan's economy great but now appear to be holding it back? People bow when Mr. Wallace arrives at Mazda Motor Corp. — he is the president.

As the only foreigner running a Japanese company of any size, he is both celebrity and curiosity, covered closely by the news media, eyed by passers-by on the streets of Hiroshima, where his company accounts for about 25 percent of the local economy.

He seems chagrined by his fame. He'd rather talk about the mission assigned him by Ford Motor Co., which placed him in charge this spring after it acquired a controlling interest in Mazda: to turn around a company that has lost pizzazz and money and that last year made only about 771,000 cars, half the number it made in 1990.

Mr. Wallace is facing a corporate culture where people are afraid to speak up in meetings, where employees and parts suppliers are set for life.

This is one company's version of a business culture that is found all over Japan. It worked fine in the postwar years of expansion, but now, as Japan faces recession and maturity, the system is assailed by many as blocking painful changes that must be made.

And just as Japan is having trouble throwing it off, so is Mazda.

Mr. Wallace has not laid anyone off. And though he has warned suppliers that there may be some "pain," he has not inflicted any on them so far.

"At the end of the day, we have to find

See MAZDA, Page 8

Christopher Scours Africa, And the UN Is Watching

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Secretary of State Warren Christopher's trip to Africa this week is being watched with intense interest by United Nations officials and foreign diplomats here who see the visit as the Clinton administration's last-ditch effort to find an African candidate to succeed Secretary-General Boutros Boutros Ghali.

The secretary-general's term ends on Dec. 31. American diplomats say they have been telling African nations that if they do not find a successor from their continent, the position now held by Mr. Boutros Ghali, an Egyptian, will go to another part of the world. But the United States, which has vowed to veto Mr. Boutros Ghali's hopes of staying on, has not been able to persuade Africans to rally around another candidate.

On Thursday Mr. Christopher was in Addis Ababa, Ethiopia, the headquarters of the Organization of African Unity, talking about an American plan to create an African military force to deal with African crises.

Months ago, the United Nations began assembling an international force for this purpose — fearing a civil war in Burundi — with little support from either Africans or the Americans.

Mr. Christopher also met Thursday with the OAU secretary-general, Salim Ahmed Salim, a Tanzanian who has long been a candidate for the top UN job, only to be rejected by the United States.

It was Mr. Salim who did an impromptu dance of joy when the United States was defeated in its efforts to keep

See AFRICA, Page 8

Saeed Khan/Agence France-Presse

Six women waiting for aid outside the office of the International Committee of the Red Cross in Kabul, where Taleban soldiers were seen rounding up people they accused of collaborating with the former Afghan government.

Dow Jones	Trib Index
Down 8.95	Down 0.30%
5921.67	141.42

The Dollar

New York.	Thurs. close	previous close
DM	1.5283	1.5284
Pound	1.5668	1.5657
Yen	111.275	111.525
FF	5.168	5.1644

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Dh
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

France's Big Mac Attack

To Save Bistros, Fast Food Outlets Will Bite Tax Bullet

Reuters

PARIS — French lawmakers have proposed a higher tax on fast food to protect the old-fashioned bistro and raise revenue.

The National Assembly's finance committee adopted an amendment to the 1997 budget that will raise the rate of value added tax charged on takeout food to 20.6 percent, from 5.5 percent.

Parliamentary deputies have nicknamed it the "Big Mac tax" because it would hit McDonalds, the American hamburger giant, among others.

"This fast-food amendment is not just aimed at hamburgers," said Pierre Mehaignerie, chairman of the finance committee. "It will also hit sandwich vendors and other takeout shops." He calculated that the increase, if adopted in the final budget, would yield up to one billion francs ($193 million) in revenue.

The amendment is a response to pressure from café and restaurant owners who complain they face unfair competition because they have to charge the full VAT rate on food and drink while fast-food outlets, which have exploded in number in the last decade, pay a lower rate charged on retail food.

AGENDA

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U.S. Pressing NATO's Expansion

Despite uncertainties about the possible Russian reaction and the qualms of some allies, the United States is pushing ahead with its plan to bring several former Soviet satellites into NATO in 1999.

Poland, Hungary and the Czech Republic are expected to be invited, and Slovenia and Romania are making strong cases to be included.

But the North Atlantic Treaty Organization is also trying to figure out ways that countries left out of the first round of the sweepstakes — in particular the Baltic nations and Ukraine — can feel safer from Russian pressure than they did before NATO decided to expand.

The problem, U.S. officials say, is not who is in but who is out. (Page 2)

Time Warner's Purchase Of Turner Is Approved

Time Warner Inc. shareholders voted Thursday to approve the $7.5 billion purchase of Turner Broadcasting System Inc. Turner shareholders approved the deal later in the day. (Page 13)

A Lawless Night / **Return of the Poachers**

Turtles Pay Awful Price For Poverty in Mexico

By Molly Moore
Washington Post Service

ESCOBILLA, Mexico — The night of the full moon in late August was most inauspicious for the thousands of olive ridley sea turtles that heaved their cumbersome bodies onto the shores of Mexico's Escobilla Beach in search of a safe place to deposit their eggs.

On this particular night — one of the most important of the year for turtle nesting here — a new anti-government guerrilla group attacked the town center of a nearby tourist resort, drawing Mexican marines away from their guard posts at one of the country's largest turtle preserves.

Word raced through nearby fishing villages. Within hours, as many as 200 poachers descended. They scooped hundreds of thousands of eggs the size of Ping-Pong balls from the sand and butchered untold numbers of exhausted female turtles as they flailed frantically back toward the sea.

"It's a catastrophe for the turtles," said Homero Aridjis, president of the Group of 100, an environmental organization in Mexico City that first publicized the incident.

For researchers at the nearby turtle preservation center who have spent two decades trying to convince local fishermen of the importance of saving the endangered sea turtles — which have been protected by law since 1990 — it was a devastating slap in the face and a major setback to their efforts.

"I felt horrible, sad, angry and disappointed," said Javier Vasconcelos Perez, a biologist who runs the National Mexican Turtle Center, which is a few kilometers from Escobilla Beach in the southwestern state of Oaxaca. "The people on the coast just don't understand the need to protect the turtles."

Those several lawless, chaotic nights on Escobilla Beach — as poachers fought with each other over their vast spoils of turtle eggs, skins and meat — were the single most damaging attack on Mexico's sea turtles since the government enacted the law protecting them, Mr. Aridjis said. Even so, it represented only an extreme example of what the sea turtles face every time they clamber ashore to lay eggs on Mexico's beaches.

The nation's coastlines provide some of the most important marine turtle nesting grounds in the world, used by seven of the world's eight types of sea turtles. But at the same time, like many developing nations that harbor threatened wildlife, Mexico suffers from an impoverished populace, rapidly escalating commercial development and lax enforcement of its environmental laws.

In many parts of the country, nesting grounds have been paved over for tourist resorts, and the headlights on coastal highways confuse both nesting turtles and their hatchlings, prompting many to follow the lights to their deaths rather than returning to the sea.

The centuries-old local culture considers turtle eggs to have aphrodisiac qualities, and modern-day poverty drives people to poach turtles for meat to feed their families and for the supple skin that is sold to make illicit boots, wallets and purses.

"The situation is critical here," said Jose Vaughan, a 43-year-old fisherman, who said he earns about $27 a week selling the fish he catches from his small wooden boat. "People don't steal the turtle eggs because they enjoy doing it, but because they need to. The people here don't have work. They don't have anything."

Oaxaca, where on Aug. 28 a new leftist guerrilla group launched its largest attack yet, is one of Mexico's poorest and most neglected states. Most of its people are Indians who live in isolated villages and scrape out meager livings on overworked mountain farm plots or overfished ocean waters.

It is here that the endangered Lepidochelys olivacea, olive ridley sea turtles, flounder out of the ocean several times a year in waves of thousands to bury their eggs in sand. The turtles weigh an average of 88 pounds and are so named because of the brownish olive hues of their skin and shell. The largest arrivals occur from late August to October, usually on nights with a full moon. The light is believed to help guide the females ashore.

ENVIRONMENTALISTS, who have succeeded in including all eight varieties of the world's sea turtles on the protected list known as the Convention on International Trade in Endangered Species, say global preservation of marine turtles is especially important because they are among the few remaining species that lived on Earth before the age of the dinosaurs.

Even without poachers, turtle survival rates are low. Their eggs must survive attacks by fly larvae, fungi, crabs, dogs and birds. Once hatched, the palm-sized hatchlings face more perils.

At sunset on Escobilla Beach recently, hundreds of buzzards patrolled the shore, gobbling up the little black turtles as they dug their way out of the sand. Other hatchlings were dragged into sandy holes by hungry crabs that usually eat only their most tender parts — their eyes, neck flesh and tender underbellies.

Before the 1960s, villagers harvested only enough turtles to sustain their families and enough eggs to feed their belief that the eggs improved fertility and sexual prowess. But an explosion in international demand for turtle leather and shell accessories in the 1960s transformed the sea creatures into an important source of income for impoverished villagers and fishermen.

A short distance from Escobilla Beach, the town of Mazuntle was built on the turtle slaughtering-business in the 1970s. Environmentalists estimate that in 1989, at the height of the turtle-slaughtering operation, 35,000 olive ridley turtles were butchered, most of them in Mazuntle. That is equivalent to about one-quarter of the 120,000 olive ridley population believed to exist in Mexico today.

International environmental groups, alerted to the turtle devastation, brought worldwide attention to this lush coastal strip and helped press Mexico's president to outlaw the capture, slaughter or sale of sea turtles or their eggs in 1990.

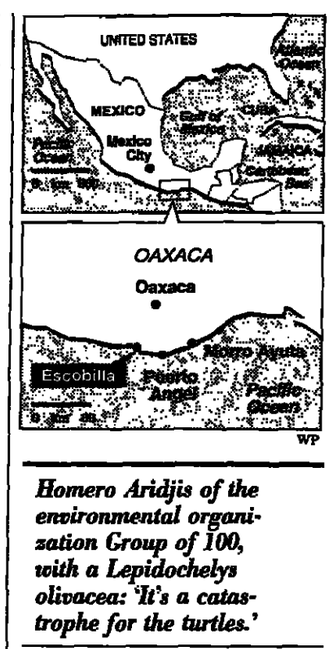
On Escobilla Beach, the law's impact was almost immediate. Researchers estimated that the number of turtle nests on the beach increased to nearly 700,000 last year from about 60,000 in 1988. Each nest holds an average of 80 to 100 snow-white eggs.

Meanwhile, the people of the Escobilla Beach area say they have not fared as well as the resurgent turtle population.

The laws protecting the turtles caused the slaughterhouses to shut down, and government programs to provide work for those who lost their jobs have resulted in employment for only a few dozen residents. The earnings of fishermen who can no longer legally catch and sell turtles have fallen dramatically.

Thus, on a recent night, a female olive ridley spent nearly two hours digging out her nest, dropping her eggs and laboriously covering them with sand. Panting and exhausted, she dragged herself back to the sea, leaving telltale tracks in the sand.

Five minutes later, within view of the lights of the marine encampment on the beach, a poacher crept through the darkness and absconded with every egg.



Group of 100

Homero Aridjis of the environmental organization Group of 100, with a Lepidochelys olivacea: 'It's a catastrophe for the turtles.'

NATO Expansion Puzzle: Not the Ins but the Outs

U.S. Seeks to Calm Russia and Baltic Lands

By Steven Erlanger
New York Times Service

WASHINGTON — Despite new uncertainties about the possible Russian reaction and the qualms of some allies, the United States is pushing ahead with its plan to bring several former Soviet satellites into NATO in 1999.

NATO is to meet in December to set a date for a summit conference, now likely by July, that will name the first countries eligible for membership. Although it is not final, the list is expected to include Poland, Hungary and the Czech Republic, though Slovenia and Romania are making strong cases to be included, senior U.S. officials say.

But the North Atlantic Treaty Organization is also trying to figure out

NEWS ANALYSIS

ways that countries left out of the first round of the sweepstakes — in particular the Baltic nations and Ukraine — can feel safer from Russian pressure than they did before NATO decided to expand.

"The problem was never defining how to enlarge NATO, but what do you do with the countries left out of it," a senior official said. "That's still a problem."

While U.S. officials are encouraged by the latest, less-hostile public remarks about the enlargement of NATO by the Russian security adviser, Alexander Lebed, the officials do not fool themselves that Moscow has suddenly given up on its intermittently strident opposition. And many Western officials say they fear that the frail health of President Boris Yeltsin makes the Russian reaction less predictable than ever.

Visiting the organization's headquarters near Brussels on his first trip to the West, Mr. Lebed, a former general and an aspirant to the presidency, said publicly this week, "Whatever NATO decides, Russia is not going to go into hysterics." But he did urge the organization to "wait a generation" before expanding.

He also said that Russia should take better advantage of the cooperation the organization offers through its Partnership for Peace program.

Mr. Lebed's stance in private meetings with NATO officials, however, was harder edged and did not mark any change in the Russian position against enlargement, senior U.S. officials said. Since the spring, on the other hand, some Russian officials have been working on an "insurance policy" to protect the country's strategic interests and to talk about a reassuring charter with NATO once it expands to Russia's border.

The French and especially the Germans are urging delay, wanting to work out a charter with Russia before going ahead with enlargement.

They are concerned that Mr. Yeltsin's lack of clear authority in Moscow means that the issue will become hostage to the internal Kremlin struggle to succeed him, with officials like Mr. Lebed and Prime Minister Viktor Chernomyrdin pushed into extremely nationalistic positions.

U.S. officials, with support from Britain and other countries, do not want Russian confusion or delay to serve as any kind of veto on NATO planning.

The expansion schedule has already slipped a bit, officials of NATO members admit privately, from early next year to March, then to May, and now possibly to June, with the French talking of July.

Lately, Moscow has been exploring how to deal with a larger NATO in the most advantageous way.

Foreign Minister Yevgeni Primakov has been touring Central European capitals and urging a nonmilitary expansion of NATO or formal assurances that the organization will not deploy foreign troops, armor or nuclear weapons on the soil of new members.

"These suggestions are a form of negotiation," a U.S. official said.

Pressed by the Nordic countries, in particular the Swedes, U.S. and NATO officials are working to find answers for the security worries of those countries left out of the first round of enlargement.

Murder Inquiry Unearths Skull On Ranch of Salinas's Brother

By Molly Moore
and John Ward Anderson
Washington Post Service

MEXICO CITY — Policemen digging on the ranch of former President Carlos Salinas's brother Raul said they had dug up a skull during their search for the body of a man who could link Raul Salinas to a celebrated 1994 political assassination.

In an extraordinary twist in the investigation into the murder of the former No. 2 official in Mexico's ruling Institutional Revolutionary Party, or PRI, the police said they were searching for the remains of a former PRI congressman.

Prosecutors say they believe the congressman was an accomplice of Raul Salinas's in the 1994 assassination of the party official, Jose Francisco Ruiz Massieu.

Raul Salinas is now in jail, charged with masterminding the plot to kill Mr. Ruiz Massieu, who was his former brother-in-law and a political rival.

Prosecutors suggest that Mr. Salinas conspired with Manuel Munoz Rocha to murder Mr. Ruiz Massieu, who was general secretary of the party. Mr. Ruiz Massieu was gunned down while leaving a breakfast meeting at a Mexico City hotel on Sept. 28, 1994.

Although Mr. Munoz Rocha was almost immediately identified as a suspect in the Ruiz Massieu killing, he disappeared afterward and has not been seen since.

The police have long suspected that Mr. Munoz Rocha is dead.

A short time after the assassination, prosecutors allege, Mr. Munoz Rocha went into hiding at Mr. Salinas's home, used credit cards that were traced back to the president's brother and telephoned him. In addition, prosecutors said they traced a $80,000 payment that Mr. Salinas reportedly made to Mr. Munoz Rocha.

Some law enforcement officials have speculated that Mr. Salinas may have had Mr. Munoz Rocha killed to cover evidence of possible links to the assassination.

Although Mr. Ruiz Massieu was once married to a sister of the Salinas brothers, no clear-cut motive for his slaying has been put forward.

52 Slaughtered At Zaire Missions

The Associated Press

STOCKHOLM — Marauders swept through a Swedish missionary hospital in Zaire and killed 40 people, most of them patients who were shot or stabbed with bayonets as they lay in their beds, mission officials said Thursday.

Twelve other people were killed in an attack on a Roman Catholic missionary station nearby, said Dag Bohlin, a spokesman for the Swedish Free Pentecostal Church, which runs the hospital.

The attacks on Sunday took place around Lemera, in eastern Zaire near the borders with Rwanda and Burundi and apparently was connected to endemic violence between Tutsi and Hutu.

Mr. Bohlin said the 28 patients were killed in their beds, either bayoneted or shot in the mouth. Another six patients were killed in the hospital's garden as they attempted to flee, and four hospital workers were killed, Mr. Bohlin said.

TWA Probers to Scour Seabed

By Andrew C. Revkin
New York Times Service

NEW YORK — Using new bottom-piercing sonar, U.S. Navy salvage workers have located what could be additional wreckage from Trans World Airlines Flight 800 buried under a few inches of sand on the ocean floor.

Retrieving any remaining shards provides the last, best chance of finding what James Kallstrom, an assistant director of the FBI, calls the "eureka piece," which would show if an explosive charge or mechanical failure caused the plane to crash.

So in the next few days, divers with advanced military equipment normally used to find underwater mines should descend on the new sonar targets, walk along the sea floor waving the handheld detectors, and listen for a rising squeal in their earphones indicating the presence of buried metal. Then, falling to their hands and knees, the divers will scoop out any material they find.

The same gear will probably also be used to seek any remaining bits — some as small as a ballpoint pen tip — that might lie hidden under the sand where the densest fields of wreckage once lay, navy officials said. In the last few days, a newly deployed low-frequency sonar device has been used. Previous sonar searches of the crash site used sound waves at high frequencies that can penetrate water but nothing much denser.

Wreckage was believed to have been buried last month when two hurricanes roiled the waters off Long Island.

Though there is no guarantee that the wreckage recovered from under the sand will be any more useful than the wreckage already retrieved, investigators are anxious to get it, figuring that if the eureka piece does exist, it must be among the few pieces that remain in the water.

The use of metal detectors is the final option in the high-technology quest for missing wreckage from the July 17 incident before the salvage operation considers shifting to such cruder methods as dredging or siphoning the sand, investigators said.

Navy officials said that both the bottom-probing sonar and metal-detection gear could not have been used while substantial amounts of debris still lay scattered on the bottom. Their use indicates that the 12-week salvage effort is in its final stages.

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DEATH NOTICE

Died

Nicole de Vésian,

Sept. 18, in Provence

Her sense of shape, volume and color, her sensitivity, her creativity: "Nicole's touch" will be terribly missed in the worlds of fashion, decoration and landscaping.

With great flair, always full of surprises, Nicole knew how to make the undefinable, often unrealistic idea, come to life with a few words and a sketch or two.

From New-York to Paris, Tokyo to Provence, (the latter, her "terre d'adoption" for the last 10 years), she cultivated a sense of style of her own, appreciated by many.

A private ceremony was held in Bonnieux on Sept. 23.

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TRAVEL UPDATE

Slowdown Eases in South Africa

JOHANNESBURG (Reuters) — South African Airways said conditions at local airports had improved Thursday and that most departures were on schedule despite a weeklong slowdown by aviation technicians and engineers.

SAA had locked out about 1,800 protesting South African Aviation Engineering and Allied Union members, delaying most flights.

Partial Eclipse of Sun on Saturday

PARIS (AFP) — A partial eclipse of the sun is expected to be visible in the northern hemisphere and particularly across Europe on Saturday, according to scientific data.

The eclipse will be seen from Canada to Eastern Europe, but will be particularly strong across Western Europe, with 50 to 70 percent of the sun in shadow for two and half hours Saturday afternoon.

Latvia will stop issuing entry visas at most border crossings as of Nov. 20, the Foreign Ministry said. It said visas will be issued only at Riga's international airport and consular representations abroad, the Baltic News Service reported. *(AP)*

Total passenger volume of Stena Line, a Swedish ferry operator, rose 8 percent to 13 million people in the first nine months if 1996. *(Bloomberg)*

Correction

The first name of Leopold Senghor's wife was incorrectly reported in Thursday's editions. It is Colette.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

North America
Cool but sunny from Boston to Washington, D.C., Saturday, then milder with some sunshine Sunday. Charlotte, N.C., and Atlanta will have a bright, sunny weekend. Windy and mild in Chicago Saturday, then it could shower Sunday. Rain this weekend in Seattle, Wash., and Vancouver, B.C.

Europe
Windswept showers this weekend in Dublin, and Sunday into Monday in London. Mild this weekend in Paris, but it might shower Sunday. Rather nice over the weekend in Rome with sunshine. Showers likely in Portugal Sunday and possibly in Madrid.

Asia
Some rain in Tokyo and Osaka this weekend, mainly Saturday and Saturday night. Sunshine and nice in Seoul Saturday, then times of clouds and sunshine Sunday. Typically hot and humid in Bangkok and Singapore the next few days with a shower or thunderstorm.

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algarve	21/70	13/55	pc	19/66	13/55	pc
Amsterdam	14/57	8/46	c	16/61	11/52	pc
Ankara	17/62	8/46	r	17/62	3/37	r
Athens	21/70	15/59	c	20/68	13/55	s
Barcelona	18/64	11/52	s	18/64	13/55	pc
Belgrade	17/62	8/46	c	17/62	8/43	pc
Berlin	13/55	6/43	pc	14/57	9/48	pc
Brussels	16/61	9/48	c	16/61	11/52	pc
Budapest	16/61	7/44	c	18/61	8/43	pc
Copenhagen	9/48	7/44	c	13/55	11/52	pc
Costa Del Sol	21/70	12/53	pc	19/66	12/53	pc
Dublin	14/57	10/50	c	17/62	11/52	c
Edinburgh	13/55	10/50	r	16/61	10/50	c
Florence	16/61	7/44	c	17/62	9/48	pc
Frankfurt	13/55	7/44	pc	15/59	8/46	pc
Geneva	15/61	7/44	pc	15/59	7/44	pc
Helsinki	9/48	4/39	pc	8/48	7/44	c
Istanbul	17/62	11/52	sh	17/62	11/52	c
Las Palmas	21/70	18/61	pc	21/70	17/62	pc
Lisbon	19/66	11/52	s	18/64	12/53	s
London	17/62	9/48	pc	17/62	11/52	c
Madrid	24/75	7/44	s	21/70	7/44	pc
Mallorca	18/61	12/53	s	18/64	14/57	pc
Milan	17/62	6/46	c	17/62	9/48	c
Moscow	12/53	-1/31	s	7/44	3/37	pc
Munich	13/55	3/37	pc	13/55	5/41	pc
Nice	18/64	11/52	c	18/64	13/55	pc
Oslo	11/52	5/41	pc	15/59	9/48	c
Paris	17/62	8/46	s	18/61	9/48	pc
Prague	16/61	6/43	c	14/57	5/41	pc
Reykjavik	-1/31	-6/22	pc	0/32	-1/31	c
Rome	19/64	10/50	pc	20/68	11/52	r
St. Petersburg	7/44	3/37	pc	10/50	8/48	c
Stockholm	9/48	5/41	c	12/53	8/48	c
Strasbourg	16/61	8/46	pc	15/61	8/48	c
Tallinn	9/48	4/39	pc	9/48	8/48	c
Venice	15/61	8/46	c	18/61	9/48	pc
Vienna	17/62	7/44	s	14/57	7/44	pc
Warsaw	12/53	4/39	s	12/53	6/43	pc
Zurich	14/57	7/44	pc	14/57	8/46	c

Middle East

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Abu Dhabi	34/93	20/68	s	35/95	20/68	s
Beirut	30/86	19/66	pc	29/73	19/66	pc
Cairo	36/95	18/64	s	30/86	19/66	s
Damascus	30/86	11/52	pc	26/79	12/53	s
Jerusalem	30/86	13/55	s	29/73	14/57	pc
Luxor	41/106	17/62	s	39/102	20/68	s
Riyadh	39/100	21/70	s	37/98	22/71	s

North America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Anchorage	-1/31	-7/20	pc	1/34	-4/25	c
Atlanta	21/70	8/43	s	21/70	10/50	s
Boston	13/59	3/37	pc	15/59	9/48	s
Chicago	14/57	6/43	s	20/68	9/48	s
Dallas	26/79	13/55	s	27/80	13/55	s
Denver	30/86	9/48	s	27/80	8/46	s
Detroit	13/55	4/39	pc	18/64	8/46	s
Honolulu	31/88	22/71	pc	31/88	23/73	pc
Houston	25/84	16/61	s	26/79	14/57	s
Los Angeles	27/80	18/64	pc	27/80	17/62	pc
Miami	30/86	22/71	t	30/86	24/75	pc
Minneapolis	18/64	6/46	s	21/70	7/44	s
Montreal	7/44	0/43	pc	15/53	6/43	pc
Nassau	31/88	26/79	t	32/89	23/73	pc
New York	13/56	6/43	pc	17/62	10/50	s
Orlando	29/77	17/63	s	27/80	19/66	pc
Phoenix	39/102	21/70	s	38/100	22/71	s
San Fran.	20/68	13/55	pc	20/68	12/53	pc
Seattle	19/61	9/48	c	17/62	10/50	c
Toronto	9/48	7/44	pc	14/57	7/44	sh
Vancouver	14/57	8/46	sh	14/57	7/44	c
Washington	14/57	4/39	s	19/66	10/50	s

Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Bali	32/89	22/71	s	32/89	22/71	s
Bangkok	36/95	23/73	s	35/95	24/75	s
Beijing	23/73	13/55	pc	25/73	12/53	s
Bombay	33/91	22/71	s	32/89	23/73	s
Calcutta	29/84	20/68	s	29/84	23/73	s
Chiang Mai	32/89	21/70	t	31/88	23/73	c
Colombo	29/82	24/75	t	29/82	24/75	s
Hanoi	32/89	24/75	s	31/88	24/75	c
Ho Chi Minh	32/89	24/75	pc	32/89	25/77	s
Hong Kong	30/86	25/73	pc	29/84	25/73	c
Islamabad	39/89	18/61	s	34/93	14/57	s
Jakarta	32/89	22/71	s	32/89	23/73	pc
Karachi	34/93	21/70	s	34/93	23/73	s
K. Lumpur	32/89	23/73	t	32/89	24/75	sh
K. Kinabalu	31/88	24/75	t	30/86	23/73	t
Manila	31/88	24/75	t	31/88	24/75	t
New Delhi	33/91	21/70	s	37/98	17/62	s
Phnom Penh	31/88	24/75	t	31/88	25/77	c
Phuket	33/95	25/73	t	30/86	24/75	t
Rangoon	32/89	23/73	s	29/84	23/73	t
Seoul	22/71	6/46	pc	21/70	13/55	pc
Shanghai	23/73	16/61	c	23/73	16/61	r
Singapore	31/88	23/73	t	31/88	23/73	t
Taipei	29/84	22/71	c	28/82	22/71	s
Tokyo	20/68	14/57	pc	20/68	15/59	r
Vientiane	32/89	23/73	pc	30/86	25/77	c

Africa

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algiers	28/79	19/66	s	29/70	15/59	t
Cape Town	17/62	7/44	pc	16/64	9/48	s
Casablanca	19/66	13/55	s	19/66	13/55	pc
Harare	29/82	11/52	pc	28/82	12/53	s
Lagos	28/82	23/73	pc	28/82	23/73	pc
Nairobi	27/80	11/52	pc	27/80	13/55	pc
Tunis	24/75	14/57	s	25/79	16/61	s

Latin America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Buenos Aires	23/73	15/59	pc	19/64	2/46	pc
Caracas	32/89	25/77	pc	30/86	26/79	sh
Lima	21/70	19/61	c	22/71	19/64	pc
Mexico City	20/68	11/52	c	21/70	10/50	s
Rio de Janeiro	30/86	22/71	pc	27/80	21/70	c
Santiago	14/57	7/44	pc	17/62	5/41	c

Oceania

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Auckland	17/62	14/57	c	19/66	17/62	r
Sydney	31/88	20/68	s	21/70	13/55	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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THE AMERICAS

A Scripted Gore Easily Withstands the Fervor of Kemp's Barrage

By Dan Balz
Washington Post Service

ST. PETERSBURG, Florida — The comics like to joke that Vice President Al Gore is stiff and wooden, but on Wednesday night Mr. Gore turned those characteristics to his advantage. Through 90 minutes of televised debate, Jack Kemp — try as he might — could not knock the vice president off his message.

Mr. Kemp, the Republican vice-presidential nominee, was typically optimistic; he was sometimes impassioned and animated and occasionally un-Republican. In contrast, Mr. Gore was almost robotic, but he was also effective, chanting a mantra in defense of President Bill Clinton's record and agenda and repeating at every possible turn his claim that the election of Mr. Kemp and Bob Dole would be a threat to "Medicare, Medicaid, education and the environment" and the gains he said the Clinton administration has made in the last four years. If this was a preview of the presidential campaign in the year 2000, Mr. Gore and Mr. Kemp demonstrated — beyond loyalty to their running mates — that they can be appealing politicians with their own standing, their own ideas and their own convictions. And for this night at least, the civility of their exchanges no doubt sat well with those Americans who took the time to watch. But given the history of vice presidential debates, the Gore-Kemp contest was also one that very likely will do nothing to change the shape of the presidential race. In past debates, Mr. Gore has never shrunk from confrontation. But in this year of instant-response focus groups that seem to rebel against any sign of negativity, the vice president's strategy appeared to be: better boring than risky.

NEWS ANALYSIS

Mr. Kemp defended Mr. Dole's tax plan and, even before Mr. Gore used the words, claimed it was anything but trickle-down economics. After saying the Dole plan would result in a burst of economic growth and a potential doubling in the size of the U.S. economy over the next 15 years, Mr. Kemp turned to Mr. Gore and said, "He'll call that trickle-down. I call it Niagara Falls."

But Mr. Gore had a comeback: "The problem with this version of 'Niagara Falls' is that Senator Dole and Mr. Kemp would put the American economy in a barrel and send it over the falls."

That was the least stolid moment for Mr. Gore, as he took every opportunity to put a wedge between Mr. Kemp and Mr. Dole. It was almost as if Mr. Gore were telling the audience that if they found Mr. Kemp appealing or attractive, it was because he was different from Mr. Dole.

When Mr. Kemp talked about the effectiveness of President John Kennedy's across-the-board tax cuts 25 years ago, Mr. Gore pointed out that Mr. Dole had voted against them. When Mr. Kemp suggested that Mr. Dole would do nothing to harm Medicare, Mr. Gore pointed out that Mr. Dole voted against its creation in the 1960s. When the question of affirmative action was put on the table, Mr. Gore noted that through much of his career, Mr. Kemp had been a lonely voice within the Republican Party arguing for expanding opportunity for minorities, only to change his position within days of becoming Mr. Dole's running mate.

Mr. Kemp preached his gospel of economic growth and made a more concerted effort than Mr. Dole did on Sunday to make the case for their tax-cutting economic plan. His most passionate moments came when he talked about his hopes and dreams for revitalizing the inner cities of America — and in chastising the administration for doing little on that front. But that is a subject that Mr. Dole himself rarely talks about in his own campaign for president.

ELECTION '96

On occasion, Mr. Kemp seemed ill-prepared, as when he was asked what was wrong with U.S. policy toward Haiti. And while he was generally disciplined in staying within the time limits, he sometimes reverted to windiness and obscure references. Some Republicans had hoped this debate would raise the temperature on the Clinton administration and on the president's character. They must have left disappointed.

Given an opening on the first question from Public Television's Jim Lehrer, Mr. Kemp refused the offer, even avoiding any hint of the ethical problems that have beset the Clinton administration. "It is beneath Bob Dole to go after anyone personally," Mr. Kemp replied — and he made it clear that he was not going to do it either. That left it to the two men to replow ground from last Sunday's debate and in Mr. Gore's case to repeat almost word for word the answers Mr. Clinton offered then.

The two sketched out their differences over abortion, with Mr. Gore pointedly saying that the Clinton administration "will never allow a woman's right to choose to be taken away" and pointing out that the Republican platform calls for a constitutional amendment banning most abortions.

Mr. Kemp criticized the president for vetoing the bill barring certain "ugly and gruesome" late-term abortions and said "every human life is precious." But he also noted there is "no consensus in America" on the issue and said "this country should not be torn asunder over this debate."

There were interesting moments on subjects that Mr. Clinton and Mr. Dole never touched on Sunday night, particularly on race relations and affirmative action. But Mr. Kemp and Mr. Gore found themselves as much in agreement as in disagreement over their aspirations for America, and unlike many within his own party, the Republican vice presidential nominee refused to make affirmative action a wedge issue in the campaign.

Mr. Kemp repeatedly tried to shake Mr. Gore loose and suggested that "the only thing" Democrats had to offer is "fear" — of Medicare cutbacks, environmental degradation and the House speaker, Newt Gingrich.

Mr. Kemp said the administration's claim that the economy was the best in 30 years "staggers the imagination" and argued that the United States "cannot morally and socially and economically accept" the current growth rates. And he indirectly raised the issue of character by asking "how can we trust an administration" that is promising to make good on its promises of four years ago?

But Mr. Gore calmly returned to Mr. Clinton's record, saying the president had promised 8 million new jobs and had delivered 10.5 million, had promised to cut the deficit in half and had exceeded it, had promised to end welfare "as we know it" and had signed welfare reform legislation.

What if Dole Comes Out Swinging?

Pressure Mounts for Attack in 2d Debate, but the Risk Is High

By Adam Nagourney
New York Times Service

WASHINGTON — For whatever reason, Bob Dole and his advisers are leaving little question about what Mr. Dole intends to do at his next and last debate with President Bill Clinton: Attack the president — harshly, early and often.

This change of course, which Mr. Dole has telegraphed in the days since the first presidential debate a week ago, reflects the growing distress among Mr. Dole's advisers that he was judged the loser in a debate they thought he had won.

NEWS ANALYSIS

It is also a response to Republican critics who were incredulous that Mr. Dole, in the first televised debate, decorously avoided attacking what they perceive as President Clinton's ethical lapses.

But regardless of the signals the Republican candidate is sending, the truth of the matter is that for many reasons — some having to do with Mr. Dole himself, but most beyond his control — it will not be so easy for him to do as he suggests he will do.

And if he does strike at the president, which those who have watched Mr. Dole this year would argue is decidedly not a sure thing, it is far from certain it will improve his standing in this election.

Mr. Dole heads into the second debate caught in a box.

On one hand, his continued weak showing in the polls increases the pressure him to do what he said he would not in this campaign: attack the president on everything from his legal problems to his marital difficulties.

"When it's the bottom of the eighth, and you're three or four runs behind, you've gotta start swinging for the fences," a debate adviser said Thursday.

But that strategy, for this candidate and in this election year, carries with it risks so great that one senior adviser flatly declared the other evening that Mr. Dole would effectively end his chances with a belligerent performance in the second presidential debate in San Diego on Wednesday.

Fairly or not, Mr. Dole campaigns under the weight of his own reputation and appearance. He is well-noted for his tough outbursts in debates past, and on television he tends look grim and irascible.

It has been a constant dynamic of this campaign, and there is no reason to expect it to disappear next week.

Mr. Clinton has made it all the more difficult for Mr. Dole to change the terrain of their encounters.

"I will try to make this campaign and this debate one of ideas, not insults," the president said in his opening statement at last week.

But to the obvious distress and annoyance of many of Mr. Dole's advisers, so has the candidate's own running-mate, at the vice presidential debate Wednesday.

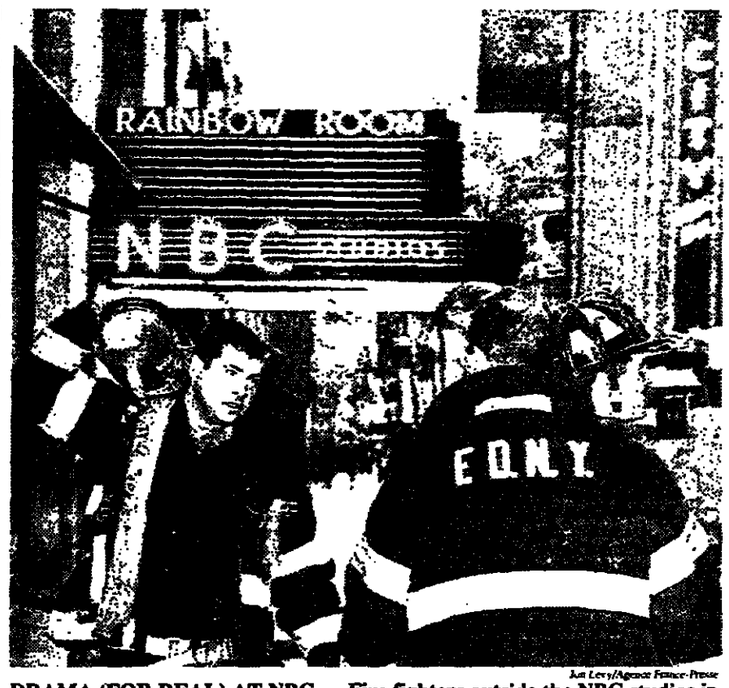
"In my opinion, it is beneath Bob Dole to go after anyone personally," Jack Kemp said at his own debate, in a line that Mr. Dole is sure to hear again should he decide to go after anyone personally.

There has already been some concern among Mr. Dole's advisers that Mr. Kemp has not played the traditional, aggressive role of a vice presidential candidate.

Mr. Kemp's remark at the debate Wednesday night only stirred that resentment.

"Kemp goes out there last night and he's a powder-puff — he doesn't take on Clinton," a longtime Dole adviser said Thursday.

"We don't have an attack dog."



Jon Levy/Agence France-Presse

DRAMA (FOR REAL) AT NBC — Fire fighters outside the NBC studios in New York after a five-alarm fire Thursday forced the evacuation of the building. The blaze knocked the popular "Today" show off the air briefly.

Away From Politics

• Two men have been arrested for shattering motorists' windows on Southern California freeways. There have been 241 attacks since Sept. 11, mostly at night. Investigators believe the attackers pursue motorists and fire pellet guns or slingshots. *(AP)*

• Deaths involving drunken drivers rose 4 percent last year to 17,274 in the first increase in a decade, as overall traffic fatalities continued a three-year rise, the National Safety Council said. *(NYT)*

• A 13-foot (4-meter) python, kept as a pet in a New York housing project by two teenagers, killed one of the brothers, possibly after mistaking him for food. *(NYT)*

• A scheme to smuggle more than 100 illegal Chinese immigrants into the United States to work in New York sweatshops has been broken up with the indictment of three Chinese residents of New York. *(NYT)*

YAWN: For Voters, a Record Tune-Out

Continued from Page 1

taining a seemingly impregnable lead over Mr. Dole, some journalists say privately they are just going through the motions.

"This is the most uninteresting presidential election of my lifetime," said Jeff Greenfield, a correspondent for ABC News. "You don't have a cutting-edge candidate putting anything on the table. Clinton is running out the clock. It's not about anything."

Television has responded accordingly. The ABC, CBS and NBC evening newscasts ran 171 campaign stories in September, compared with 304 in a comparable period four years ago, according to an analysis by Robert Lichter for the Markle Foundation, a nonprofit communications research group in New York. What's more, 117 of these stories have featured Mr. Clinton — or 184, if pieces about his presidential role are included — compared with just 77 for Mr. Dole.

"There is a sense that the Dole campaign is being run so badly that nothing is going to change," Mr. Lichter said. "It's a self-fulfilling prophecy. When you have a challenger who gets either bad news or no news, it's very hard for him to make headway."

Some news executives agree. Tom Brokaw, the NBC anchor, said his network was going all-out: "We're turning over every rock that we can without just making it up. I ask people at grocery stores and airports and a lot of people have made up their minds already."

In 1992, he added, "you had Ross Perot."

Andrew Heyward, president of CBS News, posed a question: "If there's a lack of interest on the part of the public, is that to some degree because we're not doing a very good job?"

"Certainly the convention ratings were scary," he said. "We are trying to engage people by going beyond the obvious coverage. But it may be there's not a thirst for new information."

POLLS: Sound Economy Buoys Clinton

Continued from Page 1

global economy. Moreover, in 1992, the independent candidate, Ross Perot, succeeded in focusing voters' attention on what he described as an impending economic disaster caused by a mounting federal budget deficit.

On Wednesday, Americans heard more evidence that this problem had receded as well, when the Congressional Budget Office said the government was expected to finish the 1996 fiscal year with a budget deficit of $109 billion, the smallest annual revenue shortfall since 1981.

In the CBS survey, Mr. Clinton's job-approval rating hit 61 percent, a high for his presidency, and nearly two-thirds of the respondents said they believed Mr. Dole would not enact the 15 percent tax cut he has made the centerpiece of his campaign.

In other bad news for the Dole campaign, three national polls found that the Republican nominee had not received a lift from the first presidential debate, leaving him far behind Mr. Clinton less than four weeks before Election Day.

With apathy apparently prevailing, pollsters see a possibility of the lowest voter turnout ever for an American presidential election. Turnout hit a new low of about half of all eligible voters in 1988. It rose a bit in 1992, but that race was spiced up by the novelty of Mr. Perot.

Another survey, by the Pew Research Center, found that only 24 percent of eligible voters said they were following the election very closely, a sharp decline from the 42 percent who said they were doing so four years ago. *(AP, Reuters)*

ELECTION NOTES

Clinton for Internet Growth

KNOXVILLE, Tennessee — President Bill Clinton proposed Thursday a $100 million plan to expand the reach of the Internet, while Vice President Al Gore accused Bob Dole of supporting big cuts in technological research.

"Let us reach for a goal in the 21st century of every home connected to the Internet and let us be brought closer together as a community through that connection," Mr. Clinton told Democratic supporters.

Appearing in an area dependent on government-funded science research, Mr. Clinton said he wanted to see the day "when computers are as much a part of classrooms as blackboards."

Mr. Clinton urged the Federal Communications Commission to approve a proposal that schools and libraries be given basic Internet services free. He said industry leaders would help raise money to match government grants to buy computers for schools. The Internet upgrade, he said, would also help develop a new generation of the information superhighway.

Fake Photo Roils Virginia

WASHINGTON — An increasingly nasty Virginia Senate race took a bizarre turn when Senator John Warner's campaign acknowledged that its new advertisement contained a picture altered to make it appear that the Democratic challenger, Mark Warner, was shaking hands with L. Douglas Wilder, the former governor, in front of President Clinton.

The picture — in a commercial casting Mark Warner as a liberal "political insider" — resembles one that appeared in several newspapers on Oct. 22, 1994, showing Mr. Clinton embracing Mr. Wilder and Senator Charles S. Robb as they joined hands at a rally in Alexandria. In the commercial, Mr. Robb's head has been replaced with Mark Warner's.

While hardly misrepresenting Mark Warner's politics — he is the former state Democratic Party chairman and was on the podium at the rally in question — the use of a commercial containing a deceptive photograph sent ripples through both political parties. *(WP)*

Quote/Unquote

Russ Verney, the Perot campaign coordinator, making his case to the Commission on Presidential Debates, which excluded Ross Perot after determining he did not have a realistic chance of being elected: "Clearly, the American electorate — the ultimate decision makers in this process — have decided Bob Dole does not belong in your presidential debates, according to your own 'objective' criteria. Perot/Choate '96 therefore petitions you to exclude Bob Dole from further debates sponsored by the commission." *(AP)*

Powell Apologizes for Calling Chinese 'Chinamen' in Speech

The Associated Press

STOCKTON, California — Colin Powell has apologized for referring to Chinese people as "Chinamen" in a speech last weekend.

Speaking Saturday about affirmative action and the global economy to a Business Leadership Summit, the retired general was quoted as saying: "If you give 1.3 billion Chinamen access to home shopping on television, communism is over, because there is no way communism can compete with a Salad Shooter for $9.95."

In a letter Wednesday to the Organization of Chinese Americans and the Japanese American Citizens League, he said his use of the word "Chinamen" was inappropriate and that he would not use it again.

"The context in which I used the word was a positive one as I recounted the economic progress being made in China by the unleashing of the creative and entrepreneurial potential of the Chinese people," the letter said. "I apologize for any offense it may have caused."

In his speech, Mr. Powell was saying he found it surprising that China still considered itself communist, given that it sends 40 percent of its exports to the United States. He said China's interest in having a home shopping channel in the country proved it values world trade.

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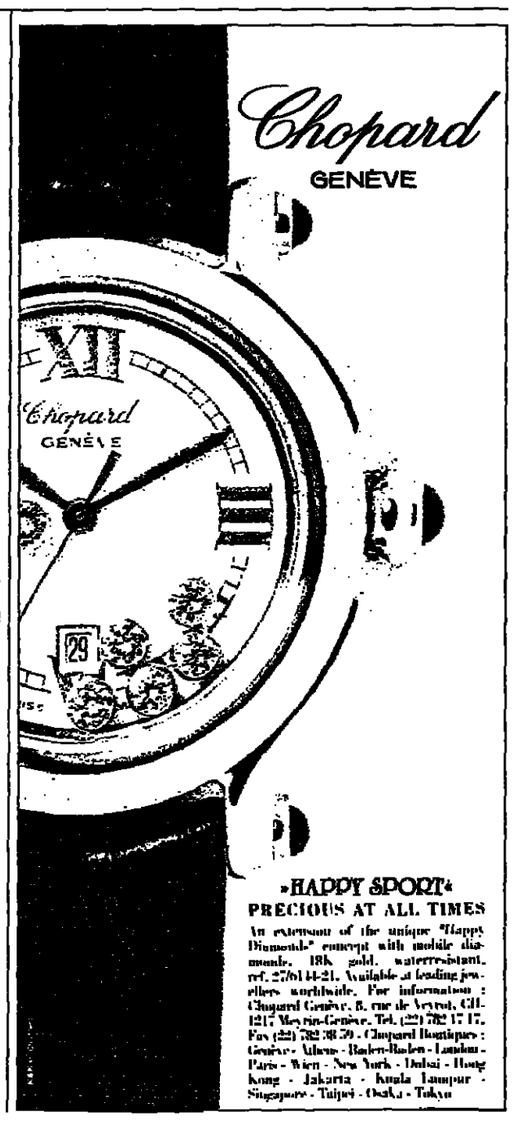

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Canada Hits Back at U.S. Curb on Cuba

By Howard Schneider
Washington Post Service

TORONTO — Canada's House of Commons has retaliated against U.S. restrictions on investment in Cuba, approving a bill that would let Canadian companies use the Canadian courts to fight any sanctions levied against them in the United States.

The bill is expected to pass the Senate easily and could take effect as early as the middle of next month. It is intended as an antidote to a U.S. law that punishes companies for profiting from property seized by Cuba's Communist government after it came to power in 1959.

The U.S. law, written by Senator Jesse Helms, Republican of North Carolina, and Representative Dan Burton, Republican of Indiana, has provoked a bitter and public feud between the United States and its allies because, other countries have argued, it tries to impose U.S. values on their foreign policy.

While the United States has maintained a strict economic embargo on Cuba for more than three decades, Canada has developed close economic and social ties with Cuba and does not feel Washington has the right to interfere.

Under the Helms-Burton Act, the former owners of seized property in Cuba could bring lawsuits in U.S. courts against Canadian, Mexican or other investors and companies using that property in consort with Fidel Castro's regime.

The new Canadian law, sponsored by the government of Prime Minister Jean Chretien, would allow any affected companies to countersue in Canadian courts and perhaps win judgments that would offset any penalties imposed in the United States.

Canadian officials say those judgments could be enforced in the United States through reciprocity agreements between the two countries.

The measure is intended to be "a deterrent to American companies from suing Canadian companies," said Charles Larabie, spokesman for the Canadian Department of Foreign Affairs and International Trade.

With the prospect of monetary compensation eliminated, "hopefully they will think twice and not bother suing in the first place," he said.

"Anything that heightens tension is unfortunate," said Stuart Eizenstat, President Bill Clinton's special representative for the promotion of democracy in Cuba.

"IT'S A SCANDAL!" EXCLAIMED MRS CHEE, AS SHE SET TO WITH NEEDLE AND THREAD.

The fact that the young man in suite 360 had paid an inordinate amount of money for designer jeans with lacerated legs was of little consequence to the hotel housekeeper. A couple of hours of delicate darning and the ghastly gaps gaped no more. Mrs Chee presented the pressed and pristine de-hoted denim in person to the style conscious guest. As he held up her handiwork, his wide eyes and stunned silence were all the praise she needed. Extraordinary endeavours have always been a part of the rich tapestry of Raffles, the grand old dame of the East. The perfect place to stay, to dine, to shop, or simply to sip on a sling. Raffles Hotel, 1 Beach Road, Singapore 189673. Tel: (65) 337 1886. Fax: (65) 339 7650.

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Behind the Islet Dispute Sits a Japanese Mobster

'Doing the Right Thing' Against China

By Nicholas D. Kristof
New York Times Service

TOKYO — As he relaxes in his office, smoke circling from an endless parade of cigarettes while he cheerfully explains that gangsters are sometimes very honorable people, Toyohisa Etoh seems an unlikely figure to have created an international mess.

Yet Mr. Etoh, a benign-looking man with graying temples and a scholarly look, has emerged as a key figure in Japanese foreign policy.

He heads a mob-affiliated rightist organization that has built a lighthouse on a remote cluster of uninhabited islands, claiming them for Japan and thereby setting off a major dispute with China and Taiwan.

"I don't deny it when people call us *yakuza*," or gangsters, Mr. Etoh said firmly, "because if you're doing the right thing, that's what matters."

Doing the right thing, as Mr. Etoh sees it, means supporting Japan's claim to the islands, which in Japanese are called the Senkakus and in Chinese the Diaoyus. The Japanese government has been reluctant to act on its own, for fear of provoking China and Taiwan, and Mr. Etoh is bitterly contemptuous of Japanese government officials.

"I despise the current members of Parliament and government officials," Mr. Etoh said, waving his cigarette furiously through the air. "They're pigs! Really pigs! They have no patriotism whatsoever."

Japanese rightists have had a longtime interest in the Senkakus, a group of five islets and three barren rocks that lie between Taiwan and the Japanese island of Okinawa. Chinese nationalists are equally passionate about the islands.

"It's very bad," fretted an official from one of the governments involved, who insisted on not being identified. "I'm afraid this is getting out of control. But it's very hard to say to your citizens, 'No, you can't go to a territory that belongs to us.'"

"Maybe America can send ships to the area and ask for all countries to be restrained," said the official, who called a reporter at home to make the suggestion. "Otherwise, I'm afraid this will get out of control."

A Hong Kong activist drowned last month while trying to approach the islands and Chinese nationalist groups have called on China and Taiwan to use military force to seize the islands from Japan.

Tensions rose this week when some members of a protest group from Taiwan and Hong Kong managed to break through a cordon of 50 Japanese coast guard vessels and planted the Taiwanese and Chinese flags before withdrawing. Governments covet the islands for a reason deeper than nationalism: oil. The geology around the islands is said to be promising for petroleum.

Still, the Japanese government last week put off indefinitely an application by Mr. Etoh's organization for the new lighthouse to be officially recognized on navigation charts.

His organization, the Japan Youth Federation, has been involved in the islands since 1978, when it erected its first lighthouse there. It was a second lighthouse, erected in July and repaired last month, that caused the present furor.

Over the years, Mr. Etoh says, he has spent more than $1 million to build the lighthouses and assert Japan's claim to the Senkakus, but he declines to say where the money comes from.

The Japanese police say the federation has close ties to the yakuza, and Mr. Etoh acknowledges that the group's founder was a well-known mobster, Kusuo Kobayashi, who died six years ago.

The Chinese government has condemned Japan for allowing Mr. Etoh to build the lighthouse, but the Japanese government retorts that Japanese are allowed to travel anywhere in Japan — including the Senkakus — and that therefore there is nothing the government can do.

Naokazu Okimura/The Associated Press

THE BEAT GOES ON — Naoto Kan, Japan's health and welfare minister and leader of the new Democratic Party, campaigning Thursday among shoppers in Tokyo. National elections are scheduled on Oct. 20.

Arms Trade In East Asia Rising Fast, Study Shows

By Michael Richardson
International Herald Tribune

SINGAPORE — Large-scale imports of arms and military technology, mainly from the West and Russia, combined with increasing exports from its own defense industries have made East Asia a major player in the global arms trade, the International Institute for Strategic Studies has reported.

It said that East Asia now accounts for nearly one quarter of the world's annual arms trade of $30 billion — about twice its average share in the 1980's during the Cold War.

For the first time, the region's arms imports of $7.3 billion in 1995, up from $6.2 billion in 1994, exceeded those of North America and Western Europe last year where purchases fell to $6.5 billion from $7.4 billion in 1994.

East Asia's share is likely to increase as arms markets in North America, Europe and the Middle East decline, the institute, which is based in London, said in its yearly report on the global military balance.

The report was made amid an arms buildup in East Asia that analysts link to growing political tension in the region, especially in Northeast Asia where a bitter dispute recently erupted between Japan and China over ownership of a group of islands in the East China Sea.

The dispute follows continuing hostility between North and South Korea, and China and Taiwan.

The institute said that defense spending in East Asia had risen by more than a third since 1985 and by almost a quarter since 1992, after adjustment for inflation.

It listed the major spenders as Japan, which allocated the equivalent of about $50 billion on defense in 1995, China ($32 billion), South Korea ($15.6 billion) and Taiwan ($13.6 billion). Only the United States and possibly Russia spend more money on arms than Japan.

Some analysts say that military spending on this scale signified that an arms race was under way in East Asia, although this is denied by officials in the region.

Ian McLachlan, Australia's defense minister, said recently, for example, that the buildup did not amount to an arms race because countries were not suddenly increasing their military spending.

But he cautioned that the new generation of military technology being introduced in East Asia was "dramatically increasing regional capabilities."

It was also "clear that countries are paying very close attention to the capabilities their neighbors are acquiring," Mr. McLachlan added.

The International Institute for Strategic Studies said that as a result of East Asia's rapid economic growth and industrialization, countries in the region were able to buy technology for weapons and associated equipment and adapt it for their own production.

Antonia Hinds, an analyst at Saferworld, a research group in London that tracks arms transfers to East Asia, said that European companies had greatly increased their weapons sales to the region in recent years by offering access to technology.

She said that to secure lucrative defense contracts, "the major exporters have offered increasingly attractive incentives, primarily technology transfers, to potential buyers."

As a result, Ms. Hinds said, many East Asian countries could now reduce their dependence on imported weapons and compete with the West in some sectors of the global arms market.

Beijing Kicks Off a Values Campaign

Compiled by Our Staff From Dispatches

BEIJING — The ruling Communist Party wound up its annual policy-making plenum here Thursday, vowing to strengthen orthodox Communist values that have been eroded by nearly two decades of economic reforms.

The party also announced it would hold its next congress, its 15th such meeting, in late 1997.

While stressing its commitment to economic development, the party leadership said China needed better public order, loyal, moral, well-disciplined citizens and upstanding officials who focused less on material progress.

The call came at the end of a four-day secret meeting of the party's Central Committee. The plenum sets the direction for all party and government departments for the next year.

In a display of apparent unity, television showed a sea of raised hands, against a backdrop of huge red banners flanking an oversized hammer and sickle as the Communist elite voted on the final communiqué.

Homage was paid to the paramount leader, Deng Xiaoping, the architect of the market-oriented economic policies that have helped to undermine Communist values.

State television made repeated references to the 92-year-old leader, who has not been seen in public for more than two years.

But the party also noted that values could not be sacrificed in the name of economic reforms.

State-run television showed the party chairman, President Jiang Zemin, wearing a red tie with his gray Western business suit, as he presided over the meeting. Mr. Jiang had been expected to seize on the plenum as the last chance before the congress to underline his role as anointed heir to Mr. Deng, diplomats and Chinese sources said.

Senior party leaders are concerned about the social and political effects of economic reforms, which are believed to have loosened the party's grip on government officials and ordinary citizens.

Prostitution, gambling, drug abuse and other social ills the party once thought it had eliminated have reemerged.

"It should be clearly seen in some places and departments, the problem of neglecting ideological education and cultural progress has not been solved," the official Xinhua press agency quoted the communiqué as saying.

"There are still quite a few problems, some of them quite serious in social and cultural life," the communiqué said.

It said a top-level group would be formed to deal with those issues, which it did not identify. *(Reuters, AP)*

BRIEFLY ASIA

Chinese Dissident Told to Get Lawyer

BEIJING — Chinese court officials on Thursday gave the family of Wang Dan, the detained dissident and leader of the 1989 student demonstrations, until Friday to hire a lawyer, his mother said.

"They may be preparing for a hearing," Wang Lingyun said. "They said we should find a lawyer before they finish work tomorrow." She said court officials declined to say if her son had been indicted. He has been detained since May 1995.

Court officials, contacted by telephone, had no comment. *(Reuters)*

Pakistan Protests Kashmir Election

ISLAMABAD, Pakistan — Pakistan on Thursday attacked the induction of what it branded "a puppet government" in India-held Kashmir, stressing that only a UN-supervised referendum could resolve the crisis in the strife-torn region.

"As was expected the Indian authorities have installed a puppet government after holding sham state elections," a Foreign Ministry spokesman said.

Farooq Abdullah, whose National Conference party won the recent elections in India's only Muslim majority state, was sworn in as chief minister in Srinagar on Wednesday. *(AFP)*

Congress (I) Party Refuses to Drop Rao

NEW DELHI — India's Congress (I) Party refused Thursday to jettison P.V. Narasimha Rao, the former prime minister, after his arrest on fraud charges, despite calls from the opposition for him to resign.

"There is no question of removing him as the Congress parliamentary party leader. After all, Indira Gandhi was also arrested and the party faced it," a party spokesman said.

Mr. Rao, 75, was arrested on charges of criminal conspiracy and forgery late Wednesday but was immediately released on bail. *(AFP)*

ASEAN Group Sees More Condom Use

SINGAPORE — An ASEAN task force said Thursday that their conservative societies would increasingly use condoms to fight the spread of AIDS, which experts predict will infect 2 million people in the region by the year 2000.

"Condom use is still unacceptable to many people in the region, but it is expected as time goes by that the number of people who do not accept the use of condoms for prevention of infection will no longer be significant," the report of the outgoing chairman of the ASEAN task force on AIDS said.

The report was delivered on the final day of a three-day meeting on AIDS by the Association of South East Asian Nations, which comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. *(Reuters)*

VOICES From Asia

Bohmu Aung, a Burmese independence hero, criticizing the ruling junta and calling for dialogue with the opposition leader Daw Aung San Suu Kyi: "The fact that a Parliament has failed to be convened in six years has left an indelible political black mark in the annals of our history." *(AFP)*

Shen Guofang, the Chinese Foreign Ministry spokesman, dismissing fresh vows by President Lee Teng-hui of Taiwan to expand the island's role in the world community: "The Beijing government represents all of China, and this is something the UN and the international community recognizes." *(AFP)*

U.S. Envoy, in Seoul, Pledges Support

Compiled by Our Staff From Dispatches

SEOUL — Seeking to calm nerves strained by a North Korean submarine's infiltration, the top U.S. diplomat for Asia arrived in Seoul on Thursday and reaffirmed Washington's continued security support for South Korea.

"We have stated in clear, unequivocal terms the steadfastness of the United States' security commitment to the Republic of Korea," the diplomat, Winston Lord, said in a brief statement after arrival at Kimpo Airport.

His three-day visit comes amid widespread reports that South Korea, on edge after the submarine incursion, sees its ally in Washington as taking an overly conciliatory approach to the North.

Mr. Lord, the assistant secretary of state for East Asian and Pacific affairs, was scheduled to begin talks with South Korean leaders on Friday.

"I will be reviewing recent developments to ensure the closest possible policy coordination between Seoul and Washington," he said. "The United States is concerned by recent North Korean actions."

Mr. Lord's arrival coincided with a manhunt by thousands of troops in rugged east coast woodlands for North Koreans suspected of strangling an elderly woman and shooting two South Korean men to death. The killers were believed to be infiltrators from the submarine, which ran aground off the South Korean coast on Sept. 18. About 26 North Koreans came ashore from the submarine. Twenty-two have been killed or found dead.

On Thursday, troops sealed off all roads leading into the Mount Odae area, where the bodies of the villagers, covered with grass and branches were found the day before.

The North denied on Thursday that its agents had killed the villagers. Pyongyang accused Seoul of fabricating the case and pushing the peninsula to the brink of war. *(AP, Reuters)*

Jakarta Court Rejects Megawati Suit

Reuters

JAKARTA — An Indonesian court ruled Thursday that it did not have the jurisdiction to hear a suit filed against the government by the ousted minority party leader Megawati Sukarnoputri, dealing a blow to her political hopes.

"The court agrees with all the arguments put forward by the defense that it does not have the authority to hear the case," said the head of a three-judge panel of the Central Jakarta State Court.

Mrs. Megawati's supporters in the packed courtroom cheered when her chief lawyer, R.O. Tambunan, said he would appeal.

Hundreds of riot policemen and troops stood by at the court complex to prevent violence. Witnesses said, however, that there were no visible signs of tension. The police dispersed a crowd of about 200 people waiting outside.

Mrs. Megawati, daughter of the late President Sukarno, had sued the government and the military over her dismissal in June from the leadership of the Indonesian Democratic Party at a government-backed congress called by a rival party faction.

Government lawyers argued that the case was an internal party matter and the court had no jurisdiction. Lawyers for the military, meanwhile, said it had provided security for the congress under its constitutional duty to guard large gatherings.

Mrs. Megawati became the focal point of a rare burst of dissent against the government after her ouster and hundreds of people gathered almost daily at the party headquarters in Jakarta in the days after the congress to vent their criticism. Riots erupted in the city on July 27 after the police raided the headquarters to evict Mrs. Megawati's supporters.

INTERNATIONAL CLASSIFIED

TODAY'S
HOLIDAYS & TRAVEL SECTION
Appears on Page 10

Personals

MAY THE SACRED HEART of Jesus be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus pray for us. Saint Jude, worker of miracles pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. U.K.

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GO: 1,08
ZONE II - I :
GO: 1,02 SCSP: 1,35
ZONE III - F :
GO: 1,05 SCSP: 1,41
ZONE IV - F :
SCSP: 1,37
ZONE IV - G :
GO: 1,05 FOD: 0,84

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EUROPE

NATO Thinks All Sides In Bosnia Hide Weapons

Effort to Cut Stocks of Arms Is Stalled

By Joseph Fitchett
International Herald Tribune

PARIS — The rival factions in Bosnia-Herzegovina have much larger stocks of artillery and other weaponry than they have acknowledged, and they have not started the process of dismantling their arsenals as required by the Dayton peace accords, NATO and German officials said Thursday.

The bulk of those weapons belong to Bosnia's Serbs. According to NATO figures, they have 450 tanks, three times as many as they publicly acknowledge, and 3,000 artillery pieces, six times more than their declared number. The Muslim-Croat federation, generally outgunned, has twice as much artillery as the 2,000 guns it says it has.

Those figures were supplied by international officials in Sarajevo, the capital of Bosnia. According to the officials, the disclosures point up the difficulties that are blocking progress on the disarmament provisions of the peace plan hammered out last year in Dayton, Ohio. The goal was to cut weapons to levels at which each party would have the firepower to defend itself but not enough to launch offensives.

Meanwhile, a shipment of U.S.-made weaponry, including M-60 tanks and HU-1 helicopters, was due to reach Bosnia this weekend. Destined for the Muslim-Croat federation, it is the first installment of an American-run, largely Arab-financed program to train and equip the federation forces so they can match the Bosnian Serbs' firepower.

The United States is supplying the weaponry almost free of charge, officials in Washington said, after Congress inserted a provision to that effect in the military authorization bill that became law last month. The savings are expected to finance more sophisticated arms for the Muslim-Croat armed forces.

The train-and-equip program, widely criticized by European governments as an incitement to an arms race, has been particularly controversial in Germany because Bonn has taken the lead in trying to put the arms-control aspects of the peace plan into effect.

Voicing disappointment about the lack of compliance, a German official said that all the Bosnian parties were uncooperative, including the Muslim authorities of the Bosnian government. "They think that they can stonewall because they're expecting U.S. arms, and the Serbs think that they must stonewall because the other side is getting U.S. arms," he said.

For the moment, the supply of weapons poses no military challenge: most are stored in depots, under the control of the NATO-led peacekeeping force.

But the German official appeared pessimistic about the chances of meeting the deadline late next year for all sides to cut their arsenals. After arguing for nearly a year after the peace pact was signed, the five entities of the former Yugoslavia agreed on a balance of weapons. It would allow these levels of artillery, for example: Serbia 3,750, Croatia 1,500, the Muslim-Croat federation 1,000 and the Bosnian Serbs 500.

Those numbers were contained in a document prepared by the NATO-led peace force, which was made available by international officials. Confirming the overall picture of those numbers, an official at NATO headquarters said the Bosnian Serbs had "a big compliance liability" because of their failure to disclose their real stocks. But he declined to comment on specific numbers because the NATO documents on the subject were classified.

Germany Moves To Repatriate More Refugees

Reuters

BONN — Germany took another firm step Thursday toward sending hundreds of thousands of refugees home to the Balkans when it signed a repatriation agreement with the rump Yugoslavia.

The interior ministers of Germany and Yugoslavia, Manfred Kanther and Vukasin Jokanovic, said at a news conference in Bonn that some 135,000 refugees from Yugoslavia would be sent home, starting in December.

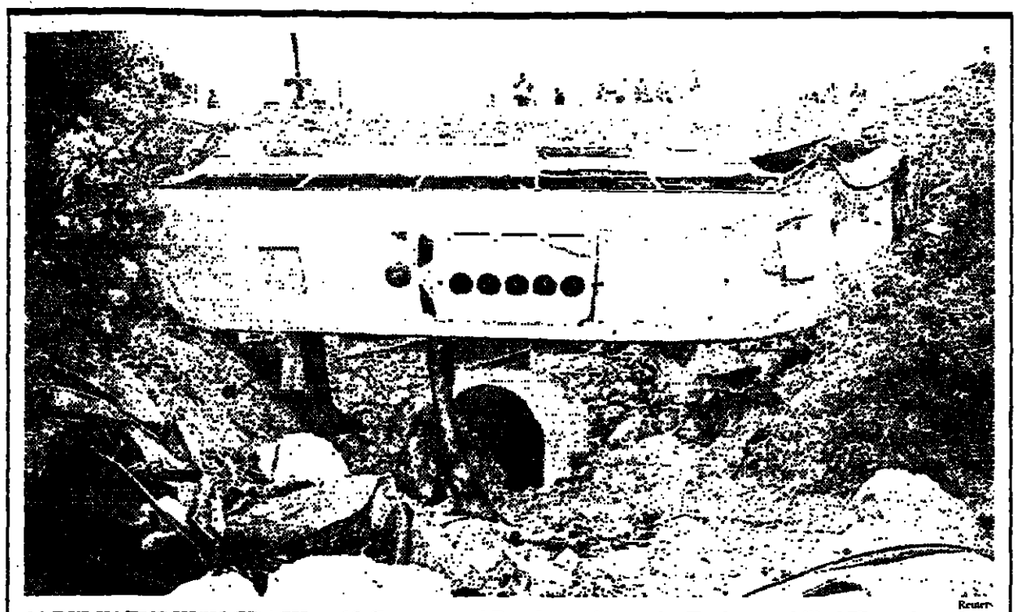
The agreement came a day after the conservative south German state of Bavaria deported the first of some 320,000 Bosnian civil war refugees in Germany. Several other German states are ignoring criticism from humanitarian groups and the United Nations High Commissioner for Refugees and planning to start repatriating refugees this year.

The man expelled by Bavaria late Wednesday was a Bosnian refugee who had been convicted of sexual offenses. The state government vowed to deport other lawbreakers who do not leave voluntarily.

Mr. Kanther said that refugees would be repatriated within three years and that the agreement would send a signal to anyone contemplating coming to Germany. About 2,500 refugees from rump Yugoslavia are still arriving in Germany each month.

"This agreement underscores the fact that Germany is not a land for immigrants," Mr. Kanther said.

"Germany is prepared to help out during the turmoil of war or other special circumstances when needed, but it also expects foreigners to leave our country again when they can live legally, safely and with dignity in their own land."



Reuters

11 DIE IN TURKISH CRASH — 10 German and Dutch tourists and a Turk were killed Thursday when the bus they were in skidded off a road in the resort region of Antalya in southern Turkey. Nineteen people were also injured. The bus, which was carrying 30 tourists, plunged 30 meters into a ravine.

BRIEFLY EUROPE

Tapie Loses 2d Parliament Seat

PARIS — The charismatic ex-businessman and soccer boss Bernard Tapie, already ejected from the French National Assembly, will now lose his seat in the European Parliament, the Foreign Ministry said Thursday.

Mr. Tapie cannot keep the European seat for the same reason he was thrown out of France's Parliament — because a French court has ruled he is bankrupt and thus ineligible for public office, said a ministry spokesman, Jacques Rummelhardt.

Under European Union law, eligibility for the European Parliament is determined by the laws of individual member states, Mr. Rummelhardt said.

Mr. Tapie, target of a blizzard of legal actions over his now-destroyed business empire and the Marseille soccer team he once ran, had come to the ministry earlier in the day to plead that he be allowed to remain a member of the European Parliament.

After losing his parliamentary immunity, he faces prison since two appeal courts have confirmed jail sentences of eight and six months against him for tax fraud and rigging a soccer match. He is appealing both cases to the Supreme Court.

Mr. Tapie recently starred in "Men, Women, a User's Guide," a movie by Claude Lelouche. *(Reuters)*

EU Warns on Waning Fish Stocks

BRUSSELS — The European Commission sounded an alarm Thursday saying European Union fish stocks are fast being depleted, necessitating drastic cuts in fleets and catches.

The EU fisheries commissioner, Emma Bonino, said only fewer boats, a 40 percent cut in catches and a multibillion-dollar program to retrain or retire fishermen could stop "the law of the jungle" from decimating Western Europe's fishing sector. *(AP)*

Corsica Group Threatens Judge

PARIS — A little known Corsican separatist movement on Thursday issued death threats against an anti-terrorism magistrate appointed to investigate the recent bombing of the city hall of Bordeaux, French radio said.

The group, known as the Ribellu Front, also called for a general uprising on the Mediterranean island, France-Info reported.

The group issued a communique threatening the life of Judge Jean-Louis Bruguiere, France's best-known examining magistrate in terrorism cases.

The Ribellu Front, apparently created at the end of 1995, is thought to be close to the FLNC, the group which claimed responsibility for last weekend's bombing of Bordeaux City Hall. *(AP)*

Pope Is Said to Be 'Very Well'

ROME — Pope John Paul II, described as in excellent spirits, took more steps Thursday as his doctors said they were fully satisfied with the pace of recovery two days after surgery to remove an inflamed appendix.

"He is well, very well," said Dr. Francesco Crucitti, the lead surgeon on the operating team.

His doctors said they expected the Pope, who is 76, to be released early next week, as they had announced after the operation Tuesday morning. *(AP)*

Bonn Rehires Ex-Diplomat It Barred From Daimler Job

Reuters

BONN — A former diplomat who caused a storm by accepting a lucrative industrial post after retiring early on health grounds is set to complete a remarkable full circle when he returns to the Foreign Ministry this month.

Ministry sources said Thursday that Juergen Sudhoff, a former ambassador to Paris, would run the political department responsible for Asia, Africa, the Middle East and Latin America.

Mr. Sudhoff was medically declared "permanently unfit to serve" last year. The nature of his health problems was never revealed.

He then took up an offer to work in France for Daimler-Benz AG, causing a controversy among politicians and in the press. Critics asked how he could be fit to work for Germany's biggest company but not for the Foreign Ministry.

Mr. Sudhoff responded that his job as Daimler's Paris representative was confined to normal office hours and much less strenuous than his days as an ambassador, when he worked from 6:30 A.M. until midnight.

The affair seemed to have been ended in September 1995, when Foreign Minister Klaus Kinkel banned Mr. Sudhoff from taking the job with Daimler on the ground that it would "damage the interests" of Foreign Service.

But Mr. Sudhoff has since produced a new medical certificate to say he is fit again and, under rules for civil servants, the ministry has no option but to take him back and offer him a job with similar status and salary to his last one.

"An extraordinary series of events in the German Foreign Service has now reached its extraordinary conclusion," the Frankfurter Allgemeine Zeitung commented in a report on the case on Thursday.

Turkish Censure Vote

Reuters

ANKARA — Turkish members of Parliament said Thursday that they would take up next week an opposition bid to topple Prime Minister Necmettin Erbakan after his controversial trip to Libya.

Three censure motions have been merged into one that the assembly will begin to hear on Wednesday.

Suspect Is Seized in Ulster Blasts At British Army Headquarters

The Associated Press

BELFAST — Police investigating the Irish Republican Army bombing of the British Army's headquarters in Northern Ireland arrested a man in Belfast Thursday morning in connection with the attack.

The Royal Ulster Constabulary refused to give any details about the suspect or where he was being questioned.

Eight of the 31 people wounded when two car bombs exploded minutes apart on Monday at Thiepval Barracks remained hospitalized Thursday. Two victims in Royal Victoria Hospital in Belfast were listed in critical condition, one of them a soldier with a fractured skull and burns over more than half of his body.

Police said Wednesday that the bombing may have been planned as long as four months ago — before the latest negotiations on Northern Ireland's future.

The IRA bought one of the cars used in the bombing on June 4, said Detective Chief Superintendent Derek Martindale, who is leading a team of 40 detectives investigating the attack.

Six days after the IRA bought the car, talks among major parties in Northern Ireland and the British and Irish governments began in Belfast.

The IRA-allied Sinn Fein party had demanded entry to the talks, but was excluded because the IRA had resumed its campaign of violence against British rule with a truck bombing in London in February.

EU Will Extend Inquiry Into 'Mad Cow' Cover-Up

Agence France-Presse

BRUSSELS — The European Parliament is prepared to extend its investigation into an alleged cover-up over "mad cow" disease, following new revelations that the European Commission attempted to stifle early warnings of the risk to human health.

"I think we have produced enough results to call for new witnesses and to recall some of those who have already appeared," Reimer Boege, chairman of the Parliament's investigating committee, said Thursday.

An extension of the inquiry, which the Parliament will decide on next week, would make it more likely that such senior figures as Jacques Delors, the former president of the European Commission, will be summoned to give evidence.

Mr. Boege said he would seek the recall of the commission's director-general for agriculture, Guy Legras, to confront him with evidence that he had attempted to silence German scientists who warned that bovine spongiform encephalopathy might be transmissible to humans.

The German experts made their warning more than a year before Britain conceded that there was a probable link between "mad cow" disease and Creutzfeldt-Jakob disease, a brain wasting, fatal illness that strikes humans.

In October 1994, Mr. Legras wrote to the German government to demand that it prevent its officials from publicizing research suggesting that bovine spongiform encephalopathy could jump the species barrier. He asserted that that view had been rejected by a majority of EU scientific experts.

Mr. Boege said: "What it amounts to is a demand that the scientists change their opinion."

Allegations that the commission failed to protect consumers were bolstered Thursday by a report in the French newspaper Le Monde. The article said the commission was aware in November 1995 that British scientists had discovered a link between bovine spongiform encephalopathy and a new strain of Creutzfeldt-Jakob disease. The commission maintains that the first it knew of the link was when the British government made its announcement on March 20 this year.

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Afghan Medievalists

Recall that it was a struggle between modernizers and Islamic medievalists that pushed Afghanistan into the civil war that Moscow joined on one side and Washington on the other in an epic Cold War duel. The medievalists, although no longer supported by the United States, are now back with a vengeance in the form of the Taleban guerrillas. Many war-weary Afghans have welcomed their remarkable success, brought on perhaps more by nationalist passion than by arms, in pacifying most of Afghanistan. But with their takeover of Kabul, a city where foreigners still have some access, their other works can now be plainly seen. They are applying to the somewhat sophisticated cities the ideological style and iron discipline of village mullahs. The results have been hair-raising.

In Kabul and elsewhere, kites have been banned to children. Girls are being removed from the schools. Women are whipped on the street for appearing without their eyes covered and are being ousted from the workplace. Men are forced to pray five times a day. This radical fundamentalist design is being imposed without a flicker of consultation with the people affected. As a result, at great personal risk thousands of educated middle-class professionals are fleeing, and others already abroad are not returning. Thus is a war-ravaged country further deprived of many of its most essential contributing citizens.

Already the impact is being felt outside Afghanistan. Russia warily anticipates rising Taleban pressure on the still unsubdued warlords of northern Afghanistan; they make up a buffer between Taleban and the fragile Muslim states of formerly Soviet Central Asia. Here the best course is for Russia, the United States and others, not least Taleban's patrons in Pakistan, to persuade all Afghan contenders to form a national unity government.

Foreigners have a further responsibility. They should put their full diplomatic weight behind the UN secretary-general's warning that Taleban's extreme discrimination against women threatens vital relief and reconstruction aid to Afghanistan. It would be cruel if the Afghan people, just as they neared the possible end of an unbelievable 18-year ordeal, found themselves isolated internationally and wearing a totalitarian yoke at home.

—THE WASHINGTON POST.

Lebed Talks Sense

Alexander Lebed, on his first trip West, has spoken with sensible calm about NATO expansion and Russia's relations with the West. A former Red Army general and an Afghan war veteran, Mr. Lebed is national security adviser to President Boris Yeltsin and a man of considerable Kremlin influence — how considerable being a subject of great interest in Washington and great contention in Moscow. On Monday, while visiting NATO headquarters, he said that Russia continues to oppose the expansion of the military alliance into Central and Eastern Europe, but will "not go into hysterics" if such an expansion takes place.

On Tuesday he went further, predicting the growth of "serious cooperation" between Russia and NATO. He urged that NATO proceed deliberately and pay attention to its relationship with Russia as, or before, it expands.

While NATO cannot make its decisions on expansion contingent on Russian approval, Mr. Lebed is right to urge close attention to the relationship with Moscow. In the long run, no one will be more secure if Russia is needlessly isolated and excluded.

Mr. Lebed's remarks are of special interest because he has a reasonable chance of one day becoming Russia's president. His refusal to hide that ambition, and his artless insistence that the ailing Mr. Yeltsin step aside sooner rather than later, have not won him many friends inside the Kremlin. The incumbent president himself, who is scheduled for heart surgery later this fall, went on radio a few days back to warn people "not to rearrange the portraits on the wall" prematurely.

But Mr. Lebed, unlike other Kremlin courtiers, has a constituency of his own, having polled third in this year's presidential election, and he shows no sign of being cowed by anyone, President Yeltsin included.

Mr. Lebed's signal accomplishment thus far has been to bring peace to Chechnya. It is shameful that his rivals for power seem willing to undermine that cease-fire, at the possible cost of renewed fighting and many more civilian lives, rather than see him enjoy any success. This week, for example, Russia's interior minister, who in a more just world might be tried as a war criminal for Russia's atrocities in Chechnya, attacked the "humiliating" peace agreement and decried "the myth of Russia's military defeat."

Russia was indeed defeated, but only after destroying much of the breakaway province and wasting, Mr. Lebed says, as many as 80,000 lives. He dismissed the criticism on Tuesday with typical insouciance ("The dog barks, and the caravan passes on"), but he is right again to demand support for the truce.

—THE WASHINGTON POST.

Kemp vs. Gore

The vice presidential candidates devoted most of their 90-minute debate on Wednesday night to arguing about Bob Dole's tax plan, the value of government regulation and the future of the inner cities. It was the debate about vision that Mr. Dole and Bill Clinton might have had this week but did not.

On the Republican side, the vision on display was mostly that of Jack Kemp, not his running mate. Comparing Mr. Kemp's passionate defense of the 15 percent tax cut plan with Mr. Dole's vague explanations of how it would work, voters would have the right to wonder how many members of the Republican ticket actually believe in its most central economic plank.

Mr. Kemp repeatedly envisioned an America where business is unfettered, the highest tax rate is 25 percent and the fast-churning economy gives even inner-city residents access to credit and capital to start their own businesses. Vice President Al Gore stuck mainly to pointing out the obvious danger of this attractive but "risky" approach.

Those regulations that Mr. Kemp dislikes, Mr. Gore noted, help ensure workplace safety, clean water and the right of employees to deal with family emergencies without worrying about being fired. The 15 percent tax-cut plan, he said repeatedly, would "blow a hole in the deficit" while sending interest rates skyrocketing. When Mr. Kemp said tax cuts had worked for John Kennedy, Mr. Gore pulled him back to earth by pointing out that Mr. Dole had voted against the Kennedy tax cut.

In sum, it was an earnest wonkfest in which Mr. Kemp provided the soaring rhetoric and Mr. Gore scored with a prudent, reality-based view of government. Mr. Dole might have wished for a debate in which Mr. Kemp launched the "character" attacks that Mr. Dole has avoided. But Mr. Kemp has his eye on the year 2000 and was not about to sully his chances by becoming Mr. Dole's Doberman. At the beginning of the debate he even announced that it was "beneath Bob Dole to go after anyone personally." The announcement was no doubt a shock to the Dole campaign's emerging plan, field-tested this week in New Jersey, to get down and dirty.

Like Mr. Kemp, Mr. Gore hopes to run for president in 2000. The combined pressure of both men's ambitions was enough to smother any high drama. The most frequently used phrase of the evening was "with all due respect." While Mr. Kemp sometimes got tangled up in verbal spaghetti, Mr. Gore was much easier to follow. Yet his slow, didactic tone suggested that he sees America as one vast first grade.

But we don't want to be too picky. It was encouraging to see the two men spend so much time fencing about urban policy and the need to extend the benefits of capitalism to every segment of American society. At every opportunity, Mr. Gore reminded the audience that 10.5 million jobs had been created in the last four years. Mr. Kemp seemed to recognize the potency of that number for 1996. But it also seemed clear that both men were thinking that a lot of statistics — including the No. 1 spot on their tickets — would be different four years from now. It was a promising rehearsal for those who believe that the politics of substance is worth pursuing, no matter how dull it gets.

—THE NEW YORK TIMES.

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With Growth, China Could Get Democracy Soon

By Henry S. Rowen

STANFORD, California — When will China become a democracy? The answer is, around 2015.

There are two reasons for this forecast. One is positive changes there. The other is the effect of economic growth on freedoms throughout the world.

Freedom House gives China a political freedom rating equivalent to zero. It is a one-party state; there are many "counter-revolutionaries" in prison; people are detained without trial; and there were more than 2,000 summary executions in 1994.

Nevertheless, China has come far since the disasters of the Great Leap Forward and the Cultural Revolution, notably in three important areas.

Grassroots democracy. The dissolution of the communes left no local governments and led to village elections. By the early 1990s, 90 percent of village committees had been elected.

Progress has been ragged. Local cadres resist losing privileges, and nonparty members often experience discrimination. Some assemblies require party membership for candidacy. There is some probable ballot fraud, and officials decide if voters can choose more than one candidate.

Nevertheless, the principle of competitive elections is established. Those who oppose party members are no longer "enemies of the people." The concept of rule by law is accepted, with peasants learning about legal procedures and how to protect their rights.

The rule of law. Under communism, law is an instrument of politics. Now, many Chinese hold that government should observe its own rules. Values consistent with Western ideals of equality, justice and legality — also ancient Chinese ideals — are expressed widely, and some are now in legislation. Officials recognize that a market economy, and foreign investment, need stable and fair rules.

Contributing to the demand for law is the weakness of the state, with massive corruption, illegal businesses run by government agencies, and theft of government assets. Most basic is the party being outside the jurisdiction of the ordinary courts. Other problems are enforcing decisions in civil proceedings, the immunity of military enterprises and bribery of judges.

The likelihood of trouble with China should go down as China becomes more democratic.

The People's Congress is rewriting the criminal laws. Defendants are not to be presumed guilty and will have their own lawyers. The police no longer will be able to hold people without charge. Doubtless, these laws will often by violated, but their passage is significant.

The mass media. Economic liberalizing had the unintended effect of liberalizing the mass media. Financial losses led to publications being forced into the market, first books and then newspapers. In 1979, Xinhua's bookstores, those of the state media empire, had 95 percent of the market; by 1988 it was one-third. Nonparty newspapers gained at the expense of party ones.

The government better controlled the electronic and film media, but falling demand led to unprofitable operations being privatized and to some government stations adopting live coverage of stories, talk shows, call-in programs, 24-hour broadcasting and celebrity interviews of once silenced liberal intellectuals.

Television sets, radios, cassette players and VCRs became widely owned. By the early 1990s, 80,000 institutions had faxes, there were 16,000 satellite ground stations, and, despite legal prohibition, 4.5 million home satellite dishes were operating.

Once a totalitarian regime opts for market reforms, it loses much control of information. Today there is self-censorship, as well as government censorship, but, except for journalists accused of selling state secrets to Hong Kong newspapers, there have not been criminal proceedings against journalists for several years.

Doubtless there will be more cycles of liberalization and repression, but the level of information freedom is rising inexorably.

The growth of democracy in Asia. When Taiwan was at China's current economic level, there were local elections, bosses became more responsible, and non-Kuomintang people became active in politics. In 1973, its Freedom House democracy score was equivalent to 25 (on a scale of 0 to 100). This opening process then moved up the political ladder to where Taiwan has had its first, and free, presidential election.

The path in South Korea was different, but the end point was the same. Elections were held under Park Chung Hee, but the ruling party determined outcomes. South Korea's 1974 freedom rating was 33 — but it was 84 by 1995.

These are two examples of a worldwide — and Asian — norm: By and large, the richer the country the freer (oil riches aside). If China keeps growing rapidly, its per capita GDP will be $7,000 in 2015, the level at which democracy everywhere has become stabilized. China's freedom rating then is likely to be similar to Taiwan's in 1984 (33) and on the verge of becoming much higher.

Of course, sustained growth is not guaranteed; the regime might crack down again; conflict with Taiwan or others could become an obstacle. Or China might just be different.

The key inference for everyone is patience. For the Taiwanese, a prospering, politically pluralistic China should be more attractive than today's China. Americans — and Japanese and others — should prefer such a China.

Therefore, Americans should stop making economic relations with China hostage to current political disputes — while continuing to help Taiwan retain its freedoms.

There may be trouble with China en route to 2015, but the likelihood should go down as it becomes more democratic. A 20-year effort to help the Chinese people to that end is a project eminently worthy of our endeavors.

This comment has been adapted for the International Herald Tribune from a longer article in the fall issue of The National Interest. The writer is a senior fellow of the Hoover Institution.

Bearish American Wisdom, or Why Failure Is Good for You

By James Grant

NEW YORK — The U.S. economy, while growing too slowly to satisfy every registered voter, is a ball of fire compared with the economies of Western Europe and Japan. One vital source of this strength is the robust American capacity to fail.

Any economic system can cope with success, but capitalism excels at failure: recognizing it, cutting it short and, through the process of bankruptcy, forgiving it.

By forthrightly curing its 1980s-vintage debt troubles, the United States cleared the way for growth in the 1990s, at however slow a rate. The Japanese, by contrast, condemned their economy to stagnation by pretending that their boom-time banking problems could be made to disappear without the inconvenience of actually addressing them.

People in markets miscalculate, singly and in groups, both on the upside and the downside. Overdoing it in a boom, they propagate white elephants — driving prices too high in real estate, if that is the most favored type of investment, or in semiconductor plants, if that is what's hot. Making amends in the slump, they clear away the mistakes of the boom, salvaging and repricing them.

Wall Street today is in the overdoing-it phase. The bull market is titanic in every particular: from the record number of investment clubs, to the record high cost of a dollar of dividend income, to the long lines of radio cars idling expectantly outside the front doors of the great investment banks at 2 A.M.

With each new high in the Dow, fewer people fear what the ancients called a bear market. More and more believe that the cycles of markets have been displaced by one cycle, the smiling, upward one.

That this impossibility has become the short-odds betting favorite is proof of how far the bull market has gone and how thoroughly its critics, myself not least, have been flummoxed.

There will always be cycles in markets and economies. They have to exist, if only because people conduct their market-related business in crowds. As individuals shopping at Kmart, people prefer low prices to high. Operating en masse in Wall Street, they seem now to prefer high prices to low.

It is, in fact, the upside of the business expansion that helps to cause the downside. They are a matched set. The exuberance of the expansion produces investment that causes distortions in the economic architecture. Redesign is the necessary work of the downturn.

Decade by decade since the 1960s, the American economy's growth rate has become fainter. Is it purely by accident that this loss of vitality has coincided with the government's efforts to mitigate the business cycle, to protect the banking system and to manipulate the dollar exchange rate — exporting, as necessary, punitively high exchange rates to Japan and Western Europe?

Insofar as bear markets, bank runs, recessions and the like serve a useful purpose, their relative scarcity in modern life might not be an unalloyed blessing after all.

The relatively good performance of the American economy in recent years shows that the U.S. government is less overprotective than some.

In France, Crédit Lyonnais, whose balance sheet constitutes a kind of museum of 1980s-era trouble, has just requested its third government bailout. "No one could ever even think of having the collapse of a bank like this," a European Union commissioner declared in explaining the unanimous decision to approve the requested subsidy. Like the Japanese, the French are still sorting out the mistakes of the last upturn, whereas the American savings and loan bailout was completed years ago.

Meanwhile, the United States has entered the Champagne-and-cigar-smoke phase of a new upturn. There is nothing wrong with booms. They are the financial expression of innovation and derring-do. In the natural course of things, promoters will err on the side of excess. The greater the degree of financial subsidy in a particular up cycle (such as artificially low interest rates), the greater the tendency toward exaggeration.

Imagine an economy taking the form of a standard, boxy East Side Manhattan apartment building. Before the end of a long expansion (well-oiled with cheap money), our symbolic structure would acquire a penthouse, an airstrip, a rooftop farm, a full set of gargoyles and a television broadcasting tower.

The vital work of removing these gauds (and auctioning them off in the open market for better, alternative use) would occupy the residents during the down times.

Japan is a case study in what happens when markets are not allowed to get on with the work of what a great economist has called "creative destruction." Overpriced, empty office buildings stay overpriced and empty. After bankruptcy, they do not become cheap and functional.

The American boom of the 1990s is distinctive for the near universal conviction that the Fed is at the controls, clear-eyed and sure-handed. It is not, I think. But even if a central bank could temporarily create a financial condition resembling room temperature — measuring out growth in noninflationary doses, neither too big nor too small — it would be doing nobody a favor.

By creating a false sense of security about contingent and unpredictable future events, it would be leading the innocent to believe that the down cycle had been scratched. So believing, investors would put themselves needlessly at risk. As they are doing now.

A paradox of financial markets is that risk is most dangerous when it is least apparent, and least dangerous when it is most apparent.

Thus, one of the great all-time buying opportunities in modern history occurred in the spring of 1942, with capitalism at bay, the forces of Imperial Japan thrust directly at Los Angeles and common stocks given up for dead by their demoralized and heavily taxed owners.

It is hard not to draw invidious comparisons with 1996, a year when capitalism is triumphant (even in Mongolia), when lunchtime crowds file into the New York Stock Exchange to watch themselves getting richer and when some $15 billion or $20 billion a month seeks supposed safe haven in equity mutual funds.

Booms foment error because, in the heat of the up cycle, error is so financeable. Thus, in the junk bond market this season certain wireless telecommunications companies have been able to borrow even before they achieve the conventional preliminary milestone of generating a little revenue.

One seasoned bond buyer has publicly resolved to invest in no deal in which the Wall Street underwriter's payment is higher than the revenues of the borrowing company over the preceding 12 months — revenues, not cash flow, not net profits. "The scary thing?" the investor asks, rhetorically, of his screening test. "It screens out a lot."

No doubt some of these revenue-impaired debtors will succeed. That is not the real issue. The issue is whether the market is pricing securities for any but the perfect, fair-weather outcome. On Wall Street the answer would seem to be "no."

In speculative markets, nothing is more certain than the progress of apparent perfection toward certain imperfection. When things can't possibly get any better, it logically follows, they can only get worse.

The writer, editor of Grant's Interest Rate Observer, is author of "The Trouble With Prosperity: The Loss of Fear, the Rise of Speculation and the Risk to American Savings." He contributed this comment to The New York Times.

No One Handles the U.S. Economy

By George F. Will

WASHINGTON — A recurring question is, "Where will the winner of the presidential election take the nation?" There is a ton of silliness packed into the verb "take." What is America, a brown paper parcel that presidents can pluck up by the twine wrapped around it and take where they wish?

Talk about presidents "taking" the country hither and yon is part of the foam on a presidential election. Such talk is particularly pernicious when it concerns the economy, as in the common polling question about which candidate would be better at "handling" the economy.

The American economy involves uncountable billions of daily decisions by hundreds of millions of Americans. It is influenced by uncountable trillions of daily decisions by producers and consumers of goods and services around the world. America's economy is not in any meaningful sense "handled" by anyone.

Such talk encourages what needs to be constantly discouraged: the hubris of government and its delusions of mastery.

And such talk subverts something that the nation needs, a sense of the velocity and unpredictability of the autonomous forces that are shaping the future. Consider the mind-opening thoughts of Louise Yamada, research vice president at Smith Barney, in an interview with Barron's.

She notes that in Manhattan there is a Levi's store where customers are scanned electronically for perfect-fitting jeans. At another store, customers' feet are scanned for custom-made shoes. Perhaps in the future there will be much smaller retail inventories — samples may suffice, or even computerized images in "e-commerce" (mar-keting, billing and paying on the Internet).

If so, there will be less need for commercial retail space, for trucking to haul inventories, for power to light and heat the retail space, for fuel for the trucks, for all the paper that goes into triplicate order forms — for today's mega-malls, for that matter.

So, hard times are ahead? For some, but boom times for others, such as the new companies driving such changes, companies built around digital and Web technologies — 4,200 such new companies in New York City alone.

America is on a high-speed ride. There is no driver.

Time was, coal and steel were the stuff of economic vigor. Now, says Ms. Yamada, the list may be sand, air and light. Sand for silicon, lasers, crystals and fiber optics; gases for semiconductor washes, chemicals for plastics and catalytic processes; and light for fiber optics. Many of such raw materials are low-cost and will help insulate the economy from inflation.

Industrialization of developing nations may be speeded by the bypassing of traditional heavy infrastructures — going directly to cellular phones rather than laying miles of wire, and using solar power, which minimizes the need for fuel pipelines.

Today's record U.S. agricultural exports reflect the surging demand of post-Third World countries for higher-quality food. At a moment when new communication and manufacturing technologies are allowing a dispersal of American living patterns that amounts to a degree of de-urbanization, the global demand for food may produce what Ms. Yamada calls "the full-circle return of the malls of America to farmland."

The farmland of America is 25 percent of the world's productive capacity, and America leads in bio-tech advancement of agriculture.

The lumbering policy-making processes of government are increasingly mocked by the speed of private sector responses to economic information. Consider the train of events that began on a June morning two years ago, after an overnight frost in Brazil, when a government official there announced a substantial reduction in projected coffee production.

The news flashed to the Chicago Board Options Exchange, where the price of coffee futures immediately began rising. Traders of soybeans and other products did not understand why this was happening but began bidding up their prices, causing the index of commodity prices to rise.

This was registered on the computer screens of commodities traders in almost 200 Wall Street firms, who reported this shiver of inflation to their bond trading colleagues, who started a sell-off of bonds, which caused bond prices to fall, which caused bond yields to rise, which put upward pressure on interest rates, which caused stock prices to fall.

Elapsed time between the announcement in Brazil and the tremor on Wall Street: less than 10 minutes.

Bear in mind Ms. Yamada's informed speculations, and the frost-in-Brazil story of high-velocity connectedness, when next you hear chatter about a president "taking" the country where he pleases, and "handling" the economy.

America is — always has been — on a high-speed ride. But there is no driver. Never has been. That's the nature of a free society.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cleveland Letter

PARIS — [The Herald says in an Editorial:] There was never any doubt of President Cleveland's sentiments on the financial question over which the electoral campaign in America is now being waged. But he has now spoken in definite and eloquent words in favor of honest currency in a letter read at the meeting of the American Sound Money League in Chicago. President Cleveland's words will be worth thousands of votes to the National Democratic ticket and contribute to bury the financial heresies of Popocracy and Bryanism.

1921: Mètre Expands

PARIS — M. Emile Picard, secretary of the Academy of Sciences, has just announced that the standard mètre measure has lengthened. It has not grown much, only five ten-thousandths of a millimètre, yet the fact is to be faced, large or small. Although all precautions have been taken, the mètre standard having been traced on a platinum block and then locked in a thrice-sealed coffer in a cellar, the standard has increased in length. Scientists cannot account for this phenomenon.

1946: Straits Strain

WASHINGTON — The United States, backing Turkey against Russian demands for a dominant position in the Dardanelles, has advised Moscow that the U.S. will not be forced from a voice in control of the strategic waterway. In a note delivered to the Russian capital on Wednesday [Oct. 9], the State Department also re-emphasized American opposition to Russian proposals for direct conversations with Turkey to revise control arrangements for the straits and Russian participation in their defense.

OPINION/LETTERS

Limboing With Clinton: How Low Can We Go?

By Maureen Dowd

WASHINGTON — Bill Clinton has given us the Limbo Presidency. (Bill be limbo, Bill be quick, Bill go under limbo stick.) Slowly, inch by inch, he lowers the bar and we bend to accommodate his failings. We decided we would rather change our attitude toward the presidency than change the president. We would rather have a smiling, shape-shifting Democrat we don't trust than a frowning, laconic Republican we trust more.

Mr. Clinton has worn us down with so many messy eruptions from his improvident life that we have come to think of the president more as CEO than role model. That may be his legacy. A new poll shows that most Americans no longer want their kids to grow up to be president.

They would prefer just about anything else — carpenter, cop, mayor, minister, athlete, even lawyer. The only profession rated lower than president was movie star.

Given this disregard for the presidency, deepened by our knowledge of other presidents' great flaws, it's hard to imagine that Bob Dole's sad, desperate tactic of slashing at Mr. Clinton's character will work.

Everyone has a clear understanding now of Bill Clinton's good points and bad. We pretty much know that the Clintons did something wrong in Whitewater. We pretty much know that they obfuscated about the search of Vincent Foster's office and the disappearing Rose Law Firm billing papers and the travel office and the FBI files on Republicans and the matter of who hired Craig Livingstone.

We've gotten used to sleazy aides, special prosecutors and Clinton loyalists racking up legal bills protecting their bosses.

We understand Bill Clinton's serial sincerity and constant expediency, his childish compulsion to tell tales, even on small things.

But all this doesn't help the clueless Dole campaign. If Bill Clinton has the Limbo Presidency, Bob Dole has, to borrow his latest appellation for the president, the Bozo candidacy.

As Mr. Clinton glides through sunny economic climes, Mr. Dole wanders a blighted landscape. His New Jersey bus tour attracted paltry crowds before getting washed out by driving rain.

Mr. Dole should be running in France, where they like bleak. The '96 race has a Henry James Old World versus New World feel — the jaded, resentful Europeans against the brash, hopeful Americans.

The Dole campaign says it needs to fix Bob Dole's dark, sour image. But it's not an image. It's him. Mr. Dole's experiences in life have left him with a bitter, fatalistic outlook, and he continually makes sardonic, self-sabotaging asides about how ridiculous his pursuit is.

He weeps a lot and tries to be touchy-feely. He even begged to get on Oprah. But this isn't the real Bob Dole. The real Mr. Dole, biting and candid, was vividly on display in '88, when he said Jack Kemp must have forgotten to wear his helmet if he believed in supply-side economics and when he called George Bush a pampered preppy making reckless no-tax pledges. In '88, he snarled but was truthful. Now he makes nice, but he's as dissembling as the man he's trying to defeat.

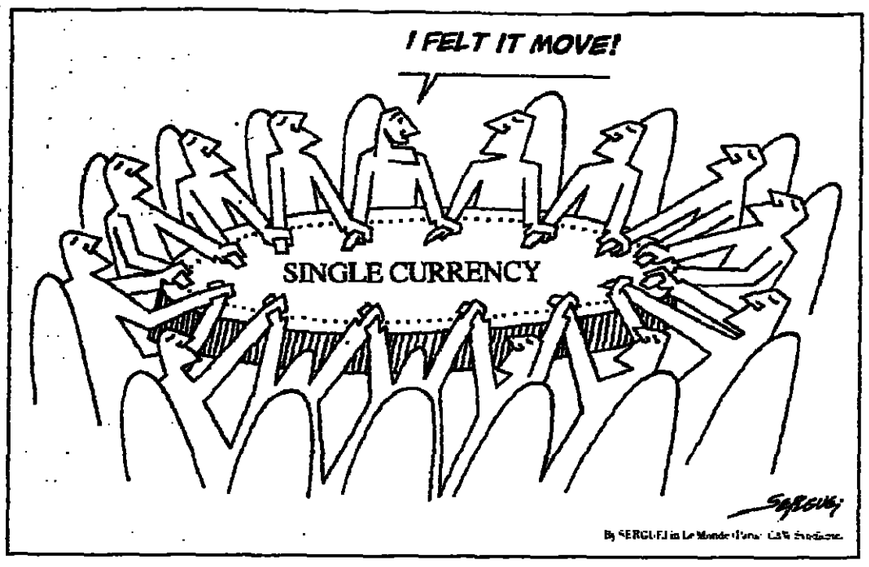
He's promising tax cuts he doesn't believe in and proposing anti-affirmative action legislation that belies his record. He has no overarching idea where he wants to take the country. No strategy for unseating a popular president. No agenda on the Republican social and cultural issues.

His campaign is not really about voters. It's about Bob Dole, and what Bob Dole thinks he's owed because he had it hard growing up, hard in the war and hard in politics, where he kept getting passed over for people who always took the easy way in life, people like Bill Clinton.

We may not revere the president anymore but we still want him to reflect qualities that conjure up a romantic image of America — optimism, charm, humor, magnanimity, a little swagger. That's what Bill Clinton is selling. That's why we forgive the Limbo President.

Bob Dole is selling the opposite. And maybe what he's selling is just as much America. But we don't elect the twilight of our souls.

The New York Times.



LETTERS TO THE EDITOR

No Bosnia Partition

Regarding "Partition Is the Inevitable Solution for Bosnia" (Opinion, Sept. 25) by John Mearsheimer and Stephen Van Evera:

The authors argue that Bosnia should be partitioned because partition is the only rational solution to the Balkan crisis. They emphasize the determination of the Bosnian Serbs and Croats to live within Serbian and Croatian national states instead of a unified Bosnia. They also point to the Austro-Hungarian and Ottoman empires and the Soviet Union, among others, as examples of artificially unified states that later disintegrated.

Finally, they criticize President Bill Clinton for his efforts to maintain a unified Bosnia.

The authors make the same argument as the Bosnian Serbs, who always insist they cannot live with the Bosnian Muslims in the same state. (Since the Bosnian Serbs committed the most horrible crimes — qualitatively and quantitatively — against the Bosnian Muslims, one could say that the executioners don't want to live with their victims because they have a bad conscience.)

To accept the partition of Bosnia would be to confirm a Bosnian Serb fait accompli.

The international community should not only arrest Radovan Karadzic and Ratko Mladic, but also force Biljana Plavsic, Momcilo Krajisnik, Nikola Koljevic and other proponents of ethnic hatred to resign and leave politics.

I hope that President Clinton persists in his efforts to preserve and maintain a unified Bosnia.

PRIMOZ STERBENC.
Ljubljana, Slovenia.

Midstream abandonment of the Dayton accord would sweep away the progress made in Bosnia.

There has been no large-scale fighting for a year. The ethnic factions have settled down to a grudging modus vivendi. In the Sept. 14 national elections, the more moderate opposition parties made a strong showing among Serbs and Muslims, even without the benefit of free media. The Serbs came within 26,000 votes of winning the chairmanship of Bosnia's collective presidency — and the near miss is a reason to keep playing electoral cards. Bosnia's new national institutions deserve a chance to work.

Refugees have not been able to return to cleansed areas — only a Pollyanna could overlook this shortfall in Dayton's hopes — but resettlement would not be improved by a formal partition. Reopening the territorial deal to give more land to the Muslims would require a massive application of Western military force, or extraordinary incentives for the Serbs and Croats. The military heavy-lifting to stabilize boundaries under Dayton is already done — a scaled-down international presence is a modest safeguard and would be needed even under a new territorial division.

The major challenge is to revive the economy. An unemployment rate of 85 percent means that demobilized soldiers have no new focus for their lives. There are economic habits of cooperation that may slowly revive — the black market is already providing some intermediation, as Brcko's Serbian city council chairman recently remarked.

Dayton permits the Bosnian Serbs and Croats to enter "special relationships" with Serbia and Croatia. Whether a multiethnic national government can function in Bosnia will depend on economic self-interest and a measure of political goodwill. There is no advantage to the West in prematurely preaching partition.

RUTH WEDGWOOD.
New Haven, Connecticut.

An Endorsement

Can there be any doubt that Richard Holbrooke is America's most capable, honest and successful diplomat? One understands exactly what he says and what he means. And he has the rare ability of getting diverse groups to agree on difficult issues.

Certainly, he seems to be the only one who can knock heads successfully in Bosnia.

If re-elected, Bill Clinton should appoint Mr. Holbrooke as secretary of state.

R. J. ARNOLD.
Capiz, Philippines.

Transcendent Kindness For a Daughter's Killer

By Colman McCarthy

WASHINGTON — Nearly every Friday morning, Gayle Blount travels 40 miles from her home north of San Francisco to San Quentin state prison. There, the 63-year-old woman, a part-time worker in the office of her daughter who is a physician in family practice, moves through security. Guards take her to the visitors' room near death row,

MEANWHILE

where more than 440 men are awaiting execution.

From about 10 A.M. to 1 P.M., Mrs. Blount visits with a condemned prisoner — one of seven she has befriended, a different one each week. They talk about prison life, religion, crime, punishment, their backgrounds and their different routes to this caged world behind walls.

Gayle Blount's involvement in the lives of San Quentin's death row inmates began in the spring of 1992 when she wrote a letter to one of them — the man who had murdered her daughter. In 300 words marked with candor, emotion and mercy, Mrs. Blount expressed forgiveness to the convicted killer of 19-year-old Catherine Blount. She had recently graduated from Bella Vista High School near Sacramento and was living on a ranch in Northern California tending animals.

On Sept. 30, 1980, she was stabbed more than 10 times by an attacker. When caught months later, he was convicted and sentenced to death. He has been in San Quentin since 1982.

In the late 1980s, Gayle Blount, after living much of the decade locked in grief and rage, experienced a conversion of the heart. In time, it would lead her to a decision that put her in stark contrast with the unyielding harshness by which much of American society scorns the 3,000 people now on the nation's 39 death rows. As one human being to another, Mrs. Blount reached out to the killer of her daughter.

In 1992, she began her letter to him: "Twelve years ago I had a beautiful daughter named Catherine. She was a young woman of unusual talents and intelligence. ... She radiated with love and joy. ... The violent way she left this earth was impossible for me to understand. I was saddened beyond belief."

Mrs. Blount explained that through readings in spirituality and being guided by religious teachers, she was able to move beyond feelings of hatred and vengeance to ones of forgiveness: "This does not mean that I think you are innocent or that you are blameless for what happened. What I learned is this: You are a divine child of God. You carry the Christ-consciousness within you. You are surrounded by God's love even as you sit in your cell. The Christ in me sends blessings to the Christ in you."

Before ending the letter, Mrs. Blount offered advice and encouragement: "Do not look to me to be a political or social advocate in your behalf. The law of the land will determine your fate." But, she added, "I am willing to write to you or visit if you wish."

The prisoner wrote back, in words of profuse gratitude for Mrs. Blount's transcendent kindness. He expressed total remorse and sorrow for his crime, stating also that he understood fully how empty such words might sound.

Since this initial exchange, Mrs. Blount has written once a month to the prisoner. She visits him four times a year.

On Oct. 4, she came to Washington with some 100 other death penalty abolitionists to protest capital punishment in front of the Supreme Court. The group belongs to Murder Victims Families for Reconciliation, a national organization with several hundred members. It sponsors an annual "Journey of Hope" in which citizens like Gayle Blount who have lost family members to homicide spend two weeks traveling through one state speaking on the death penalty at schools, media outlets, churches and other assemblies willing to listen.

"My experience," says Mrs. Blount, "has shown me that it is not necessary to kill another human being for me to have the completion of my anger and grief. I do not want my grandchildren to be taught that we deal with violence with more violence. I do not want my daughter's beautiful spirit tarnished by a premeditated murder."

Washington Post Writers Group.

BOOKS

THE NIGHT IN QUESTION: Stories

By Tobias Wolff. 206 pages. $23. Alfred A. Knopf.

Reviewed by Christopher Lehmann-Haupt

IN "The Life of the Body" — the fourth of the 15 stories in Tobias Wolff's wonderful new collection, "The Night in Question" — the narrative says of the protagonist, Wiley, an English teacher in a private school, "He didn't like modern fiction, its narcissism, its moral timidity, its silence in the face of great wrongs."

Since Wiley himself is something of a narcissist, or at least a man who has trouble judging how he appears to others, one has to wonder if the remark about his literary tastes is meant to be paradoxical. Is the story making fun of Wiley, who seems to possess keen moral judgment but in confronting a crisis at the end of the story believes that "all he really needed was words, and of words, Wiley knew, there was no end"?

The question about Wiley's aesthetics echoes in the reader's head throughout this collection, Wolff's sixth book. In some of the new stories, the viewpoint seems almost old-fashioned in its morality and its concern for the "great wrongs."

"The Chain" describes a series of avenging acts that lead to the inadvertent killing of an innocent bystander who is best known as — oh, awful coincidence! — "a peacemaker."

The title story poses a veritable Lady-or-the-Tiger of a moral dilemma: A railroad switchman has to decide between lowering a drawbridge in time for a heavily loaded passenger train to cross it or leaving the drawbridge up and saving his young son, who has crawled into the lifting machinery.

But elsewhere Wolff can be morally ambiguous. "Casualty" appears to be setting up a situation in which Ryan, a smart-aleck soldier with only a short time to serve in Vietnam, will be killed when he provokes his new commanding officer into unfairly sending him on a series of night ambushes.

Yet Wolff changes the story's moral vector by having Ryan fatally wounded on a routine supply detail, then switches the narrative viewpoint, as if to say that in wartime, death and its effects are completely random. And the endings of several other stories shoot off on odd tangents, as if Wolff were trying to show that often enough issues of right and wrong are slippery.

Perhaps the questions raised by Wiley's literary views don't really matter. After all, what counts most about these stories is the power with which they seize your imagination.

The opening of "The Chain" is typical: "Brian Gold was at the top of the hill when the dog attacked. A big black wolflike animal attached to a chain, it came flying off a back porch and tore through its yard into the park, moving easily in spite of the deep snow, making for Gold's daughter. He waited for the chain to pull the dog up short; the dog kept coming."

At times, the narrator's voice merges disconcertingly with his characters', making them sound improbably literary. "I stopped shooting after a while and stood there, waiting, bouncing the ball," reports the narrator of "Flyboys" about an incident in his childhood. "The ball was overinflated and rose fast to the hand, making a hollow whang shadowed by a high ringing note that lingered in the silence."

Of course, this faintly literary overtone may well be intentional.

Storytellers appear everywhere in the collection. Often they are troublemakers, the enemies of the prevailing moral order. Two of them even risk their lives with their commentary: Ryan, the doomed soldier in "Casualty," who "narrated whatever was happening, like a sportscaster, but the narration never fit what was going on"; and Anders, a book critic in "Bullet in the Brain" who is caught in a bank robbery and shot in the head for laughing at a holdup man's cliches. One might even say that the most significant conflict in these stories is that between the moralists and the ironists.

The roots of this conflict are subtly exposed in "Firelight," one of the collection's best stories. The narrator recalls that when he was a boy, he and his mother once moved into a rooming house in Seattle. Their hobby was ironic shopping, so to speak; that is, trying things on they knew they couldn't afford to buy.

The boy longed for the trappings of respectability. When he learned that his mother had once turned down a marriage proposal from an all-American football player from Yale, he was outraged. "I would be rich now, and have a collie. Everything would be different."

One chilly fall afternoon they looked at an apartment on the campus of the University of Washington. The rooms were large and comfortable, with working fireplaces, and were to be vacated by a professor critical of the university for being hollow: "All materia, no anima," as he puts it.

Looking back, the narrator imagines the professor to have been a loser whose colleagues considered his high-mindedness "a cover for lack of distinction in his field," whatever that may have been.

But at the end the narrator questions this impression. He has his own fireplace now, in a home where the winters are long and cold. When he lights it and watches "the changing light on the faces of my family," he tries to feel at home, "and I do, almost entirely."

He concludes: "This is the moment I dream of when I am far away; this is my dream of home. But in the very heart of it I catch myself bracing a little, as if in fear of being tricked. As if to really believe in it will somehow make it vanish, like a voice waking me from sleep."

This would be the sleep of moral satisfaction, invaded by the voice of the storyteller, commenting ironically on the dream.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

TAKING part in the world junior team championships often involves a trip to an exotic locale. The 1995 event was played on the island of Bali, in Indonesia.

From that angle, the results of the American Contract Bridge League's Junior Trials in Miami Beach in August were both a triumph and a disappointment for 12 Canadians: Next summer they will travel all the way to Hamilton, Ontario, to battle the rest of the world, with strong competition expected from Europe.

Winners of the trials were David Levy, Jeffrey Blond, Eric Sutherland, Michael Roberts, Darren Wolpert and Frederic Pollack.

On the diagramed deal, Wolpert as South almost found the way to make a difficult five clubs. The opening lead was a low diamond, and East erred by playing the diamond queen on dummy's ten. South won the ace, drew trumps and led a heart. West won with the queen and continued with the ace, leading to this position when South ruffed:

	NORTH	
	♠ A 6 3	
	♡ —	
	◇ J 6 4 3	
	♣ Q	
WEST		EAST
♠ K J 9 5		♠ 10 3
♡ 10 8		♡ K 9 7
◇ K 7		◇ 9 8 5
♣ —		♣ —
	SOUTH	
	♠ Q 10 4 2	
	♡ —	
	◇ —	
	♣ 9 8 6 5	

Wolpert made a fine play by leading the spade queen and allowing West to win with the king. West led a heart, conceding a ruff and sluff.

South discarded a spade from dummy and ruffed his hand, hoping that a later spade ruff would collect the jack. This plan failed, and he found that the should have ruffed in the dummy, ruffed a diamond and played trumps to squeeze West.

	NORTH	
	♠ A 6 3	
	♡ J 4	
	◇ J 10 6 4 3	
	♣ Q 3 2	
WEST (D)		EAST
♠ K J 8 5		♠ 8 7
♡ A Q 10 8 2		♡ K 9 7 6 5
◇ K 7 2		◇ Q 9 8 5
♣ 10		♣ J 7
	SOUTH	
	♠ Q 10 4 2	
	♡ 3	
	◇ A	
	♣ A K 9 8 6 5 4	

East and West were vulnerable. The bidding:

West	North	East	South
1 ♡	Pass	2 ♡	Dbl.
3 ♡	Pass	Pass	4 ♣
Pass	5 ♣	Pass	Pass
Pass			

West led the diamond two.

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SPAIN	PTAS.	55,000	33	16,500
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INTERNATIONAL

British Officials Confront Child-Beating Case With a Stiff Upper Lip

By Sarah Lyall
New York Times Service

LONDON — The boy was 9 when his stepfather took a tall bamboo garden stake and beat him repeatedly, over a period of days, on the buttocks, calves and thighs.

Now 12, the boy has gone to the European Court of Human Rights, arguing that Britain's corporal punishment statute — which gave the stepfather the right to carry out the beating — violates European law.

The case has turned into a cause célèbre in Britain, where the use of corporal punishment to discipline children is deeply entrenched in the national psyche and beating in state-run schools was made illegal only nine years ago.

So important does Prime Minister John Major's government regard the issue that the health secretary, Stephen Dorrell, went on radio recently to defend smacking, or hitting with the hand, and to say that he sometimes hits his own children.

Smacking is unreasonable only "when there is significant damage done to the child," he said. "I think you can do damage to the children the other way, by bringing them up in a world where it comes as a surprise to them in later life when indiscipline leads to penalties."

Mr. Major intimated that his children had been smacked, too — if not by him personally.

"My children were dealt with at home by Norma in a way that was appropriate and personal to them," he said in a radio interview, referring to his wife.

Under British law, parents, baby sitters and teachers in nonstate schools, including many boarding schools, are allowed to strike children in their care, as long as they use "reasonable chastisement" — a phrase open to interpretation.

In this case, a jury acquitted the child's stepfather of assault, saying the beating was allowable under the law.

If the European Court rules in favor of the boy, Britain may be forced to alter its law and to ban corporal punishment altogether, as six other European countries — Austria, Cyprus, Denmark, Finland, Norway and Sweden — have already done.

To the government, the court's involvement represents another unwelcome example of Europe's readiness to meddle in British affairs.

Among other things, officials say, opinion polls consistently show that a majority of the British public believes in the use of physical punishment.

"English law is clear and coincides with common sense," Mr. Dorrell said. "The government could not support a blanket ban on parental smacking as most people understand it and will continue to defend its position vigorously."

But the 60 or so children's rights groups here that favor outlawing corporal punishment altogether say the case could be a landmark.

"What the government is doing is hiding behind this concept of reasonable chastisement," said Peter Newell, coordinator of Epoch, a group opposed to corporal punishment.

"The facts are that this boy was repeatedly caned over at least a week." The government, he said, could not lose by saying " 'We do not condone hitting children with implements and causing injuries.' "

The case is not a typical one, in that the beating suffered by the child was far from the mild spanking or smacking the government says it condones. The case began three years ago when the boy's stepfather was arrested and charged with assault after his stepson, identified only as "A" in court documents, came to school with welts on his legs and buttocks.

Last month the court said that the boy's case was admissible. If the two sides cannot reach a settlement, the court is likely to rule in the next 18 months.

6 Cleared in South Africa Massacre

High Officials in Apartheid-Era Case Also Likely to Be Freed

By Suzanne Daley
New York Times Service

JOHANNESBURG — The prosecution of 10 high-ranking officials in the apartheid era who were accused of plotting the massacre of 13 people nine years ago seemed to be falling apart Thursday as a judge acquitted six less-important defendants and blasted the prosecutor for arguing "blandly" and failing to call needed witnesses.

The judge, Jan Hugo, launched his attack as he read a long verdict in the seven-month trial. By day's end, he had not yet gotten to the important officials, who include a former minister of defense, Magnus Malan.

But the judge's dressing down of the prosecution seemed to foreshadow more acquittals Friday.

The case against Mr. Malan has been closely watched because it was the first indictment to reach into the upper echelons of the former National Party government. Mr. Malan and his co-defendants, on trial in Durban, are accused of murder and conspiracy to murder in a 1987 attack on the home of an African National Congress activist.

The activist, Victor Ntuli, was not home, but the attackers killed 13 people, most of them women and children who had fallen asleep in the three-room house after a prayer meeting. The six acquitted Thursday were accused of having done the shooting in the KwaMakuta township outside Durban.

They burst out with shouts of "yes" and stamped their feet when the judge pronounced them not guilty.

But most of the day was spent listening to Judge Hugo as he painstakingly recounted the evidence and criticized the state's two key witnesses as totally unreliable. He said they had at times contradicted each other. One of them, the judge said, was "not an impressive man."

"If one thing characterized his demeanor," he said, "it was weakness."

The judge said the other was far too inexperienced for anyone to believe he had been put in charge of the operation.

"Some of his claims," the judge said, "have been shown to be false and others grossly inadequate and naive." The judge also took the prosecution to task for failing to call witnesses who might have supported the key witnesses.

In some cases, he said, this would have been easy to do. One was actually in a state witness protection program.

The prosecutor in the case, Tim McNally, sat stone-faced through the reading and did not comment afterward.

The prosecution argued that Mr. Malan and the other generals in the dock had conspired to arm and train the Inkatha hit squad that carried out the raid because the government wanted to fuel rivalry between South Africa's two largest black political parties, the African National Congress and the Zulu-based Inkatha Freedom Party.

Mr. Malan and his co-defendants left court without offering any public comment Thursday.

Walter Kerr Dead at 83; Influential Drama Critic

New York Times Service

NEW YORK — Walter Kerr, 83, a former drama critic for The New York Times and The New York Herald Tribune who for more than three decades was a major force in the American theater, died Wednesday at a nursing home in Dobbs Ferry, New York.

Mr. Kerr, who also wrote and directed Broadway productions, began his career as a critic in 1949 at Commonweal, the Roman Catholic weekly. He moved to The Herald Tribune in 1951, where his wit and vivid prose style quickly made him one of the most influential voices in the theater.

When The Tribune ceased publication in 1966, he joined The Times. He remained there for 17 years, until his retirement, writing daily and Sunday reviews and articles. He was awarded a Pulitzer Prize for criticism in 1978 for "the whole body of his critical work."

When Mr. Kerr joined The Times, Newsweek magazine called him "Supercritic" and said his influence in the theater would now be enormous. In fact, Mr. Kerr, a modest man, sought less, not more, influence, and said he wanted to share the job with another critic.

Therefore, a compromise was reached: Mr. Kerr would review plays for the daily and Sunday editions for a year, then review for the Sunday paper only. "I wanted the vote split," he said.

In his reviews, Mr. Kerr cherished talent, recognized quality and expressed considerable affection for the people of the theater. He did not seek them out, however. When the curtain fell, he would return to his home in Larchmont, New York, which was distinguished by turrets and a carillon, to his wife Jean, a noted playwright, and their children.

The success or failure of a production might hinge on what he wrote, and producers, press agents and other interested parties sometimes tried to engage him. Politely, Mr. Kerr resisted.

Sometimes at an intermission or before a curtain went up, Mr. Kerr would read a book. When he did arise from his seat at intermissions, he would leave the theater and smoke a cigarette on the fringe of the crowd outside. He would talk about anything then except the production.

A critic, he believed, should express himself only in print. His shy dignity and reputation were such that few people tried to penetrate his reserve.

Vapor and ash spewing out of the Vatnajoekull glacier on Iceland.

Glacier Won't Flood Iceland, Scientists Say; Today, Anyway

Reuters

KIRKJUBAEJARKLAUSTUR, Iceland — Scientists said Thursday that the immediate threat of massive flooding from a lake of volcanic melt water building up under Europe's largest glacier has receded.

But the scientists surveying the volcanic eruptions under the huge Vatnajoekull glacier — which are filling the Grimsvoetn subglacial lake with water — say the ice-cap will eventually crack, pouring torrents of water across Iceland's southern plains.

"There is no doubt the flood will occur, but the change in activity makes the timing more uncertain," said Magnus Tumi Gudmundsson, a geophysicist at the University of Iceland.

"I still think the most likely option is that it will begin in days."

Since the volcano began erupting last week, Iceland has been expecting the glacier's icecap to give way under the strain of the lake's rising water.

Although the volcano continues to rumble, pouring out huge clouds of gas and steam, and the lake's water level is still rising, the scientists said the activity has slowed.

"The lake rose some 80 meters (265 feet) in the first four days of the eruption, but we believe it has increased perhaps by 15 meters in the five days since," Mr. Gudmundsson said.

"It has slowed dramatically. If melting had continued at the initial rate, the flood would have started by now."

Arafat Warns Palestinians To Be Prepared If Talks Fail

By Serge Schmemann
New York Times Service

RAMALLAH, West Bank — Yasser Arafat warned Thursday that four days of Israeli-Palestinians negotiations on Hebron had achieved nothing so far, and therefore the Palestinians had to be prepared "to confront all possibilities."

In a somber speech to the Palestinian Legislative Council, the Palestinian leader did not elaborate, but after the outbreak of violence last month and the subsequent Israeli military blockade of Palestinian areas, it was evident that he was warning of further travails.

"The Erez negotiations have achieved nothing up till now," he said. "As a consequence, we must be ready in every way to confront all possibilities. You must understand what I mean by this."

A senior Israeli official denied that the talks being held at the crossing between Gaza and Israel were stalled. He noted that the negotiators had agreed to move their deliberations next week to the southern Israeli resort of Eilat and the nearby Egyptian resort of Taba, where they would be more isolated.

Speaking later to representatives of countries that have donated money to the Palestinian Authority, Mr. Arafat appealed for help to offset the stiff Israeli restrictions on movement of people and goods among Palestinian towns and cities. "I must remind our overlapping neighbors," he said, referring to Israel, "If we are facing starvation, how can they have security?"

Several hours after Mr. Arafat spoke, Israel announced it would lift the restrictions on the movement of Palestinians among their cities and towns as of Sunday, except in Nablus. The government also said it would allow 35,000 Palestinian workers back into Israel.

Mr. Arafat's pessimistic portrayal of the talks that opened last Sunday coincided with indications of growing tensions in Israel's relations with King Hussein of Jordan, the Arab leader who has had the closest relations with Israel in the two years since the neighboring states made peace.

In an interview published this week in a London-based Arabic daily, Ashraq al-Awsar, King Hussein warned that unless Prime Minister Benjamin Netanyahu began taking concrete steps to advance the negotiations with the Palestinians, the region could be headed for war.

The deterioration of relations with Jordan prompted the Israeli state president, Ezer Weizman, to announce that he will visit Jordan in the next week or two. He has also announced his intention to make a state visit to Egypt, which has also been increasingly critical of Israel.

TALEBAN: *3-Way Alliance Puts the Squeeze on Rulers of Kabul*

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threatened with punishments that include stoning to death and amputation of hands and feet.

The other would be the more moderate Muslim state in northern and central Afghanistan that seemed to be foreshadowed by Thursday's pact.

The three leaders at the Khinjan gathering represent three of the largest ethnic minorities in Afghanistan, the Hazara, the Tajik and the Uzbek groups that together account for about 5 million of the country's 16 million people.

In Mr. Dustam, an Uzbek, Mr. Masoud, a Tajik, and Mr. Khalilli, a Hazara, the new alliance has formidable military forces, and a territory, stretching from Faryab Province in the northwest to Badakhshan Province in the northeast, and south to the central province of Bamian, that has a natural shield in the form of the Hindu Kush range that rises above 5,000 meters and divides Taleban areas in the south from the alliance forces in the north.

But even short of the consolidation of a new rival state, Taleban was confronted after Thursday's meeting by the prospect of far stiffer military resistance in their drive to bring the rest of the country under their control.

If Taleban fails to break through in the Panjshir, and in their drive against Mr. Dustam up the Salang Highway through the Hindu Kush, where their advance has stalled just as it has in the Panjshir Valley , they could eventually face a counterattack on Kabul by the combined Dustam and Masoud forces.

But for the moment, Taleban appeared preoccupied by the setbacks it has encountered in the south, close to Kabul.

TORIES: *Party Calls a Truce Over Europe*

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who told delegates: "In order to win, we need three extra policies: unity, unity and unity."

Lord Cecil Parkinson, a former cabinet minister and right-hand man of Margaret Thatcher's, said: "Above all we must present a united front to the electorate and stop this argument about Europe." Mrs. Thatcher, the former prime minister, is the standard-bearer of the Euroskeptics.

Labor is about 20 points ahead of the Conservatives in the polls, with an election at most seven months away. But Mr. Clarke contended that the party could close the gap with the help of a booming economy and increasing personal prosperity. He said a fifth consecutive electoral triumph would put Britain on course to create the most successful economy in Europe, with a standard income tax rate of just 20 percent.

"If we fight on the economy, we will win," Mr. Clark said. But he warned that voters would not be persuaded to return to the Conservatives by unjustified tax cuts in his budget.

"To earn and keep the trust of the British people," he said, "we have to follow one Tory golden rule. We only cut taxes when we can afford to, and when it is good for the economy."

"We must create the climate for continued Conservative success over the next five years," Mr. Clark said. "And my budget in November must create the climate for an honest election campaign in which we play fair and straight with the public."

Labor has made huge political capital out of Mr. Major's failure to honor tax-cutting pledges he made during the 1992 elections.

On the single European currency, Mr. Clarke strongly backed Mr. Major's position that the Conservatives would decide after the election whether it was in Britain's interests to jettison the pound sterling in 1999.

"It is in Britain's interest to keep all our options open," he said. "We should decide when we have to, not before."

MAZDA: *A Company in Transition Reflects the New Influences on Japanese Culture*

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solutions that make sense in the cultural environment we are operating in," Mr. Wallace said in an interview.

One of the more radical things he has done is change the culture of communications.

He lacks fluency in Japanese and thus cannot count on after-hours heart-to-hearts with employees over drinks, the place where conflicts and controversies in the Japanese workplace are normally thrashed out.

So he has turned carefully staged Japanese meetings into freewheeling American-style brainstorming sessions. He has forced Mazda staff members to use more marketing data to back up new product proposals. And he is injecting more English, the international business language, into the company. More English speakers are scheduled to be hired in the spring.

Even those changes have caused anxiety among Japanese employees.

When Japanese have a meeting, "only those who are opposed to a proposal speak," said Takeshi Morikawa, president of Mazda Workers' Union. "If you are for an idea, you keep quiet.

"But Ford people speak, even if they are for the idea. They ask questions. Or they speak about why they are for the idea. So at some meetings, some Japanese think that foreigners are dominating the floor too much."

The effort to inject more English into the workplace is raising anxiety. Employees say it has created more work as they have to prepare reports in both languages, and non-English speakers fear they will be passed over for promotions. Mr. Wallace should first learn to speak Japanese, said Goro Matsui, chairman of Kyoshinkai, a business association of 4,500 Hiroshima companies that promotes Mazda.

Mr. Wallace , who is studying Japanese twice a week, has spent much of his adult life straddling cultures. He worked for Ford in the United States, Mexico, Venezuela and Europe. He is straightforward about the cultural hurdles he faces.

"Working through an interpreter clearly adds to the complexity," he said. "The risk of misunderstanding is greater, no matter how good your interpreter.

"Also, in the West, we have this direct communication. But in Japan, it's indirect communication. Very often you're left to draw your own conclusion."

Mr. Wallace has also trodden lightly in dealing with the high prices of parts. Part of the problem is that most of its suppliers are Japanese, and as the yen got stronger the price of their parts increased relative to the cost of overseas parts. The obvious answer is to buy more foreign parts, as many Japanese companies have done.

But so far Mazda has made few changes in Japan's traditional system of longtime, family-like relationships with suppliers. In the Mazda *keiretsu*, hundreds of suppliers get blueprints from Mazda and build parts to specifications. In return for loyalty and obedience, Mazda gives them business.

Mr. Wallace has succeeded mainly in raising the issue, suggesting that Mazda would consider factors such as price, quality and ease of delivery when selecting suppliers.

Even that reverberated through the Mazda family like talk of divorce.

"If the president were a Japanese, he would have some sympathy toward us," said the president of a small supplier who asked not to be identified. "He would think: 'You have been working so hard for Mazda.' Even in times of difficulties, he would take care so that as many companies as possible would survive."

"Mazda will survive I think," said Takashi Hiraoka, the mayor of Hiroshima. "But what I am worried about is suppliers, the small family-owned companies."

Mr. Wallace says such fears are baseless. "We're not trying to dismantle the keiretsu system," he said.

"I'm always asked the same questions. What's going to happen to the local suppliers?" he said. "It all depends on how successful we are in growing the business. So the biggest challenges we face are all the rest of the questions: How do we change our culture? How do we become more international? How do we build our image?

"Those are the really big issues out there."

In facing them, Mr. Wallace has an advantage. Since foreigners are always expected to act differently, he can cross the lines of Japan's hierarchical business world without ruffling feathers. He asked union leaders to come to his office for an hour's briefing the day after he was named president, an action that the union president said was unprecedented. Mr. Wallace also took the unusual step of sharing confidential strategic information with union leaders to win their support for a brief employee furlough.

"We have great expectations," said Mr. Morikawa.

AFRICA: *UN Diplomats Track Christopher as He Stumps for a Successor to Secretary-General Boutros Ghali*

Continued from Page 1

the Communist government of China out of the United Nations in 1971. Now American officials do not rule him out, saying that any African supported by that continent would be considered.

Clinton administration officials are thought to prefer Kofi Annan, an eloquent Ghanaian who is the UN undersecretary-general for peacekeeping. But one American diplomat said that in the current hostile climate here, U.S. backing for anyone "would be the kiss of death."

Other possible African candidates are Hamid Algabid of Niger, secretary-general of the Organization of the Islamic Conference, and Amara Essy, foreign minister of the Ivory Coast.

Razali Ismail, the Malaysian diplomat who is president of the General Assembly this year, said he expected the vote to take place in November. The assembly technically elects a secretary-general, but in reality simply endorses the choice of the Security Council.

In the Security Council, where annoyance with the United States is running high on a number of issues, there has been no effort, even by traditional friends of the United States, to rush the decision on to the agenda. Members are due to meet Monday to talk again about how to proceed.

Meanwhile, in diplomatic missions all around New York, delegates are keeping score of how many government officials addressing the General Assembly have spoken kindly of Mr. Boutros Ghali, or have openly endorsed his re-election despite pleas from U.S. officials.

In these unofficial tallies, the secretary-general has picked up about 20 endorsements so far, mostly from Arab nations. Several dozen other foreign leaders have said nice things, but left open an escape hatch, knowing American pressure will be intense. Clinton administration officials say Mr. Boutros Ghali's support is "shallow."

"It is difficult to convince people that our decision will remain firm and irrevocable," a top U.S. official said recently.

■ Africans Warm to U.S. Proposal

The Organization of African Unity on Thursday welcomed a U.S. proposal for an African military force to respond to crises, but asked Mr. Christopher to clarify the plan.

"Anything that enhances Africa's capacity is welcome, but it needs further consultations and clarifications," Mr. Salim, the organization's leader, said after the secretary of state presented the plan to the group's ambassadors.

Mr. Salim said the organization wanted to know who would command the force and was concerned about "the issue of sustainable support."

Mali is the only nation to have agreed in principle to take part in the plan, but four other countries have agreed to provide troops, a U.S. official said, without identifying them.

هكذا من الاصل

SHOPPING

From Spain, Chic Olive Oil

By Al Goodman

MADRID — At the chic Paradis restaurant around the corner from the Spanish parliament, politicians and chauffeured executives know a good thing when they taste it. The chef chooses from 40 different kinds of Spanish extra-virgin olive oil, depending on the dish.

The restaurant is so bent on promoting Spain's distinct oils that it graces each table with a bottle of top-grade extra virgin, and sells all of them in a tiny gourmet food shop just off the main entrance, with prices ranging from $4 to $9 a half-liter (slightly more than a U.S. pint).

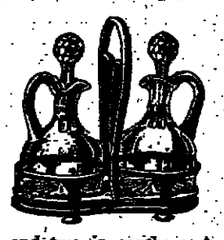
A decade after Spanish olive growers realized that the Italians were crushing them in international markets by selling smartly packaged olive oil — which they often bought first in bulk from Spain — it's not news that the Spaniards are fighting back.

Now the problem is a dizzying array of Spanish premium brands. The chef at the Paradis may be able to tell them apart, but what about the average gourmet?

DOZENS OF BRANDS "It used to be that you'd find just a few top Spanish olive oils in the stores, like Carbonell or Ybarra," said Lourdes March, a Madrid author of books on Spanish olives and Mediterranean cooking. "Now there are dozens of brands."

Not surprising, given that Spain is the world's largest producer of olive oil — ahead of No. 2 Italy and No. 3 Greece — and that it boasts more than 60 varieties of olives.

Just as with wine and its grapes, some bottles of olive oil contain a single variety; others offer a blend. Yet the labels don't reveal that there are just five or six main olives among Spain's 60 varieties, and that the heart of Spain's production comes from four olive-growing appellations: two in northeastern Catalonia (Borjas Blancas and



Siurana) and two in southern Andalusia (Baena and Sierra de Segura).

"The Catalan oils are smooth, sweet, not at all spicy, and you have notes of green apples and dried almonds," March said. She and other cooks use them to dress salads, fry white fish, vegetables or eggs and to make mayonnaise and desserts.

Catalonia accounts for only 5 percent of national production, growing mainly a small olive called *arbequina*, a concentrated fruit that tends to mature uniformly because of its relatively little volume. Major brands, and prices for a half-liter, include Lerida (about $9 at some stores in Spain), L'Estornell ($9.60), or Gasull ($4).

By contrast, Andalusia accounts for 75 percent of the total production and has built its reputation using the other five main varieties, although growers there also have been experimenting with Catalonia's arbequina.

Andalusian oils tend to be fruitier, aromatic and sometimes slightly bitter, according to the Spanish olive oil exporters association. Experts say the southern oils work well on various salads and are perfect for frying a tomato-onion mixture that is the basis for numerous Spanish recipes.

The southern oils hail from a region where the signature tapas served at bars and restaurants are bite-sized pieces of fried fish glistening with a thin coat of olive oil.

The most widely cultivated olive in Spain is the *picual*. It's a fruit that is three times larger than the tiny arbequina. Andalusia also grows the varieties of *picudo, hojiblanca, cornicabra* and *lechin*. The picual's faint bitterness "is a virtue, not a defect, because the picual would lose its character if it didn't have bitterness," said Francisco Paton, director of the Paradis restaurant.

A venerable Andalusian brand is Nunez de Prado (about $9.40 a half-liter in Spain). The firm uses only hand-picked olives, instead of harvesting them by the traditional method of beating the tree branches with long poles until the olives drop to the ground, when they might suffer minor bruises. The company also eschews the newer mechanical harvesters.

OTHER brands from Andalusia include Columela ($4) or Abasa ($5.60). The top sellers from Andalusia and Catalonia now face competition from other emerging olive growing regions in Spain, such as Castilla-La Mancha, Extremadura and Aragon.

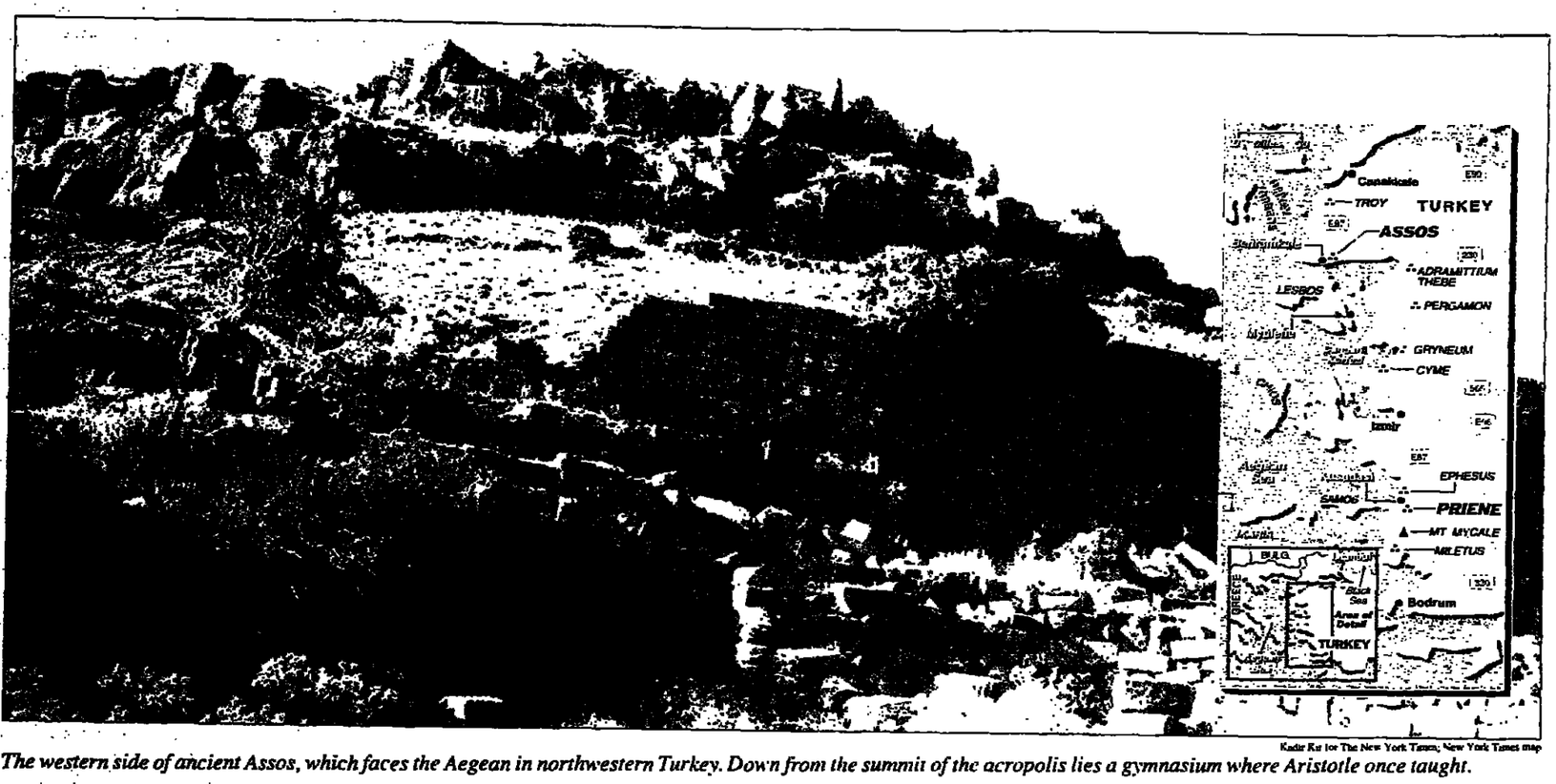
As with Italian or Greek oils, the most highly valued Spanish oils are extra virgins. They are typically cold-pressed from olives harvested earlier the same day, and unrefined. The next lower category is virgin, and below that is a product called olive oil, which is a blend of refined olive oil with some virgin added for color and flavor.

Experts say that darker bottles are actually best for the oils, to protect them from harmful light, but consumers often prefer to examine the faint green or deep golden color of the oils while they're still in the bottle. Consequently, many Spanish oils are packaged in clear glass bottles.

Most major brands sell bottles or tins as small as a quarter-liter, allowing the wary consumer to sample a small amount.

Al Goodman, who contributes from Spain to The New York Times, wrote this for the International Herald Tribune.

A Tale of Two Sites That Once Were Cities



Kadir Ku for The New York Times; New York Times map

The western side of ancient Assos, which faces the Aegean in northwestern Turkey. Down from the summit of the acropolis lies a gymnasium where Aristotle once taught.

By Nicholas Nicastro

ASSOS, Turkey — The modern visitor to crowded Turkey can hardly share the impressions of such early modern travelers as William Lithgow, who came to Ephesus in the early 17th century and wrote of finding a lonely ruin "pleasantly adorned with gardens, fair fields and green woods of olive trees, which on the sea do yield a delectable prospect."

But for those willing to overlook the temptations of easy monumentality (Ephesus, Pergamon) or determined hype (Troy), two very attractive sites, Assos and Priene, lie less than 20 miles (32 kilometers) off the main highways of Turkey's Aegean coast.

My wife and I approached Assos (modern Behramkale, about 40 miles south of Canakkale) from the north, via the serpentine, one-and-a-half-lane Route 17-51. In the late summer this road wanders through hard-bitten countryside suggestive of chaparral. The hazy blue of the Aegean coast rises at last, and against that, the butte of the Assos acropolis.

The inhabited town shambles up the northern face of the hillside — built landward, it is said, out of fear of medieval piracy. Pulling into the town square, we were directed to park next to the local tea garden by a genial middle-aged man sitting at a table surrounded by other *cay*-sipping men. We left our car with the others blocking the street and joined him at his table.

Overlooking the Turkish Aegean

After rounds of tea and conversation, the man stood up, produced an official-looking cap from somewhere, and fixed it on his bronzed baldness. Resembling a uniformed Pablo Picasso, he introduced himself as Huseyin Elibol, the *bekci* (superintendent) of the Assos ruins; he was about to lead us on a private tour of the ancient city.

This is apparently standard procedure for Huseyin Bey (Bey is a polite form of address in Turkish, used after first names). If tourists happen to catch him on his tea break, he will allow them to buy him a few glasses, then lead them up the hill at a not inconsiderable clip. Formalities like tickets are dispensed with: He not only allows his guests to avoid the main entrance by hopping a fence, but he actually leads the way.

Soon we were standing at the very summit of the acropolis, some 700 feet (200 meters) above the waves. Though much of the facade of the city's Temple of Athena now resides in the Istanbul Museum, five complete columns, carved out of the local purple andesite, were recently re-erected. The columns frame striking vistas along the arcing coastline toward Kucukkuyu and out toward the island of Lesbos, floating in a shimmering haze eight miles offshore.

As we admired the view, Huseyin Bey recited elevations, dates, historic populations. Another couple joined us, and he started over again in German, directing our attention to the ancient harbor below, from which St. Paul and St. Luke once hopped a freighter to Mytilene.

TO the right, near the city's well-preserved west gate, he pointed to the site of the gymnasium where Aristotle held classes for three years before moving to his next job as tutor to the young Macedonian prince, Alexander.

Protected by fine city walls, ancient Assos does not hide from the sea. It descends toward the water like an apron spread on a broad staircase, pausing at sheer cliffs above the harbor.

On the first step, the outlines of the ancient agora — the social, commercial and political center of the city — are still visible. We strolled along its quiet length, noting the holes for roof beams set like clenched teeth in the lava hillside. A single fig tree grows there; as the recorded voice of a muezzin called faintly from the little mosque far above, we snacked on figs and watched the sun dip toward the horizon as the lights came up on Lesbos.

The ancient theater lies only partly excavated on the next step below, and is spectacularly situated. Indeed, when visiting Assos one is conscious not merely of an extinct community, but also of an extraordinarily privileged one. There's a quality of brashness in a population of just 5,000 or so having such a formidable city on such an ostentatious site — a brashness born, no doubt, of Greek zeal for city life, and the conviction that participation in it was the essence of civilization. Perhaps it is no coincidence that Aristotle, in his "Politics," agreed with Plato that the ideal city should be about the size of Assos.

We returned to the same table in the tea garden. Belting, not sipping, his cay, dark eyes fixed before him, Huseyin Bey told us some more history — how his grandfather emigrated from Lesbos during the traumatic Greek-Turkish population exchange in the 1920s, how he was born and lived all his life in this little town.

The Ghost-Town Feel of Priene

Then, heading south along Highway E-87, we skirted a coastline peppered alternately with tourist destinations like Kusadasi and Bodrum, grim, industrial centers like Izmir, and forgotten cities — Cyme, Gryneum, Adramittium Thebe — barely poking their marbled ribs from the dirt.

Priene lies a full day's drive from Assos, but just an hour south of storied Ephesus, and has long been better known to students and scholars than the wider public. Tours there are usually packaged with Miletus and the Temple of Apollo at Didyma, but lacking the elephantine remains of either of those places, and with an acropolis accessible only by mountain goat or jet-pack, Priene suffers by comparison. That's too bad.

As the archaeologist R.E. Wycherley wrote in "How the Greeks Built Cities," "We must not let our natural interest in the great and famous cities of Greece make us forget that there were few like Corinth, hardly any like Athens, but hundreds like Priene in size, and they all rightly claimed the name *polis*." Like Assos, Priene encompasses in its limited area both the form and the spirit of the Greek polis. But where the more or less continuous occupation of Assos has reduced that town's ancient details to impressionistic smudges, Priene preserves its internal arrangement.

Under the influence of Hippodamias, the fifth-century B.C. architect and guru from neighboring Miletus, Priene was laid out along a gridiron plan that organized the city into private, commercial and religious districts, all enjoying southern exposure on the lower slopes of Mount Mycale. This requires a curious mental adjustment: where one tends to zigzag all over Assos and Miletus, one tours Priene like a living town, respecting the courses of the original streets. As such it has something of the ghost-town feel of Pompeii and Herculaneum.

Most of the city's points of interest — its pristine little theater, its network of walls suggestive of Bronze Age Troy's, the remains of its fourth-century B.C. Temple of Athena Polias — can comfortably be toured on one's own.

The temple enclosure is shaded by evergreens, and looks out over the Meander Valley, long since abandoned by the sea. The temple floor is still grooved from centuries of openings and closings of its front doors.

But the residential districts are perhaps the most unique. Carpeted with pine needles, and roofed by a pine canopy, the mansions four blocks west of the theater still have impressive entrances. The floor-plans are mostly still traceable, though occasionally interrupted by automobile-sized boulders fallen from the slope beyond. Some walls bear traces of fresco painting, long reduced to daubs of mottled pigment.

THE GREAT ROCK Above it all glowers Mount Mycale, rising sheer and battleship-gray above its skirt of trees. Impressive as the living city must have been, Priene's ingenuity always bloomed beneath the great rock. Far from the sea-and-sun-kissed exuberance of Assos, Priene's pride seems decidedly measured under Mycale's shadow.

Not that these cities were ever particularly important in their time. Assos was mostly renowned for turning out a line of admirably impartial judges; Priene was known primarily for its architecture and for a brief visit paid by Alexander the Great in 334 B.C. But for those interested in the quality of antique life, instead of the biggest, oldest or foremost, it's astonishing how little all that matters.

Nicholas Nicastro, who studies archaeology and anthropology at Cornell University, wrote this for The New York Times.

Sophisticated Jungle: Khmer Art Along the Mekong

By Olivier Bernier

PAKSE, Laos — The Mekong River flows lazily through southern Laos, bordered by thatch-roofed villages, swaying palm trees and, from dawn to dusk, fishermen rowing in the lee of one or another of its 4,000 islands.

There are no roads, no bridges, no smokestacks. Now and again, a ferry just big enough for three or four cars slowly crosses from one bank to the other; the rest of the time, the only sights and sounds are those of the river and the birds. At night, the flickering flames of oil lamps light the windows of the few houses on the banks.

This scene alone would make a cruise on the Mekong worthwhile. But there are also many excursions awaiting the visitor: everything from a major Angkor period Khmer temple to imposing waterfalls. And it can all be seen while traveling for three days on a charming river boat.

The Vat Phou is not a large craft: 112 feet (34 meters) long, it has only two decks above its steel hull. On the lower level are 10 cabins, each with bath, and the dining room. The upper level is an open deck. Everywhere all is varnished wood.

Although it was launched in 1993, the Vat Phou looks like something straight out of the colonial past. The upstairs deck — with its rattan chairs, tables and daybeds — feels like the veranda of a plantation house. There are views from everywhere: Each cabin (and bathroom) has a wide window, and the upper decks, though roofed, are entirely open.

ON A LAZY RIVER Because there are never more than 20 passengers, and often fewer, a cruise on the Vat Phou feels like a house party. The food and service are overseen by Gilles Boute, a Frenchman who is one of the boat's two owners. The stewards are gracious without being obsequious and the meals (except for breakfast) consist of light and tasty Laotian dishes.

The meals are a pleasant interval in what soon becomes a routine of sitting on deck watching the landscape, or getting off the boat for one of the shore excursions. The cocktail hour on the upper deck provides a happy bridge between the two. The sunsets in this part of the world are spectacular. The sun, reflected in the river, turns from gold to orange to dark red, and the fishing boats become slender black lines against the silver water, reminiscent of a Chinese painting.

Jeffrey Aaronson Network, Aspen, for The New York Times

Tourists exploring the Angkor ruins at Wat Phou, a shore excursion from the river boat.

The Mekong is not just any tropical river — for centuries it was a major artery of the Angkor empire. Farther south, through the Tonle Sap river and lake, it linked the capital to the sea. Here, above the Phapheng Falls, it provided food — fish was an essential component of the Angkor diet — and transportation. It is thus not surprising that one of the empire's greatest shrines should have been built on its banks, a few hours downstream from Pakse, the point of embarkation for the cruise.

At the top of a tall hill, the temple, Wat Phou, was built around a sacred spring that was piped into its sanctum and bathed its lingam, the emblem of the Hindu god Shiva in phallic form. Over time, more buildings were added until the complex occupied the entire hill; today, a visit offers not just some of the best carvings in Southeast Asia but also a trip through the centuries.

First comes contemporary Laos. A brightly painted bus takes visitors from the river to the site, less than five miles (eight kilometers) away, driving through villages where the houses are perched on stilts, children swing from the beams, adults sit cross-legged on low tables and the gardens are home to water buffalo, pigs and cows.

THE site itself begins at the *baray*, the big rectangular reservoir that was added in the early 13th century about a third of a mile from the river. From there, going toward the foot of the hill, a wide causeway is interrupted by a cruciform platform once used for rites that were key elements of feasts and processions.

The causeway leads to two long buildings, one on each side, and here the importance of the site becomes manifest. Straight ahead, massive stairs go up the hill all the way to the original shrine, while the buildings to either side are adorned with carvings whose style and quality indicate that at least four distinct eras have left their mark, starting with the reign of Jayavarman V, at the end of the 10th century. Additional reliefs belong to the middle of the 12th century, the beginning of the 13th and finally to another, later period, possibly the 14th century.

As always with Angkor reliefs, we see the gods — Shiva dancing, Indra on his three-headed elephant — surrounded with decorative volutes, the earlier of which are extraordinarily refined. Deeply undercut, dentate leaves twine around curling stems while tiny figures emerge from this most sophisticated of jungles. Here, in fact, is some of the very best Khmer art.

To the Mountain-Temple

Going up the hill requires care — the steps are not what they once were — but the effort is well worth it. First, after a short climb, comes another cruciform platform. Then the steps resume, bordered on either side by frangipani trees shedding their brilliant white flowers while a sweet perfume rises from them. This leads to the third cruciform platform at the base of a seven-level mountain-temple. Designed to imitate Mount Meru, the residence of the gods, this great stone structure takes us to the top of the hill.

There, the shrine to Shiva into which the spring was once piped dates back to the 9th century. On and around the lintels, deeply undercut stone foliage frames long, elegant figures of Shiva and Indra. The shrine is small, but every remaining surface is as delicately carved as if it were a piece of jewelry. Inside, sadly, the lingam is long gone, and the Buddha figure that replaces it is as crude as it is recent.

The shrine, however, is only one of the two rewards for reaching the top of the hill. Turn around, and there is a spectacular landscape. The hill itself and the other buildings in the complex lead the eye to the plain, with its small villages, and on to the river bank where neat vegetable gardens look like distant embroidery.

Then there is the wide Mekong itself, with its long, narrow fishing boats and the occasional ferry; and far away on the other bank the intense green of tropical forest.

Olivier Bernier, who lectures on art and architecture at the Metropolitan Museum of Art, wrote this for The New York Times.

FREQUENT TRAVELER

Hong Kong, the Divided City

By Roger Collis
International Herald Tribune

SHALL it be Hong Kong Island or Kowloon? That is the first question business travelers need to ask when planning a trip to Hong Kong. Once that is settled you can choose a hotel from a galaxy of lodgings on either side of Victoria Harbor with as many stars as your budget can handle.

Location is important in most major cities. You may need to be near your place of business, shops, restaurants, theaters, or simply want a prestigious address. But in Hong Kong, which side of the harbor you stay at has a unique resonance, both for residents and visitors.

Hong Kong Island and Kowloon Peninsula are distinct, self-contained communities with their own special character and enmities facing each other across a sliver of water scarcely 1,200 meters wide and brought ever closer by land reclamation, a second road tunnel, frequent ferries with a 10-minute crossing time and a four-minute ride on the MTR subway from the heart of the financial district, to Tsin Sha Tsui, first stop in Kowloon on the edge of the harbor.

Psychological Barrier

Shadow Wong, a marketing executive for the Shangri-La hotel group, based in Hong Kong, says: "It's really strange, given that Hong Kong is such a small place, but people who live and work in Hong Kong [Island] rarely cross over to the other side. It's only about half an hour if you use the subway. But there is a psychological barrier between Kowloon and the Island: They are two very different places.

"I was born on the Kowloon side and lived there for 25 years. But working over here, I've suddenly become a total Island person: I never go to Kowloon these days except to visit my mother or go to the airport."

"You're only looking at a small strip of harbor," says an expatriate. "But if you've got expats planning to meet up after work, it's unusual that they'll decide to go over to Kowloon for a drink: it's almost like, I'll need my passport for that. There's the mentality that it's a separate city."

The Mandarin Oriental cheekily said in a leaflet some time ago: "If you were visiting New York, you wouldn't stay in New Jersey. So when you visit Hong Kong, stay on the Island."

"It's refreshing to find somebody interested in this clash of Kowloon and Hong Kong; everybody's coming in saying, I want to do a story on July 1997" when China takes over the colony, says Susan Sams, editor of the Sunday Magazine at the South China Morning Post, in Quarry Bay, Hong Kong.

"I hadn't been to Kowloon for a year, it was a great shock to the system — the only time I crossed the water was to go to the airport.

"Hong Kong [Island] is far more international, up-market, colonial, old money; this is where Hong Kong began, the financial center where you'll find government offices, banks. Kowloon is grittier, more Chinese in a way. Chin San Choy in the heart of Nathan Road is an incredible place — Italian, Nepalese restaurants, jewelry; you go there for discount shopping. Lots of neon lights, it's spectacular."

Kowloon is where you would tend to stay if you're an entrepreneur, in the garment industry, the retail trade, fashion, textiles, toys, light engineering, television and film production.

Kowloon is only 50 minutes on the KCR (Kowloon Canton Railway) from Shenzen, the boom city just over the border in the "special economic zone" where a lot of Hong Kong manufacturing is done these days.

If your business is banking, financial services or corporate affairs, or you generally want to make an impression, you will probably choose to have your meetings on Hong Kong Island. For leisure travelers it comes down to personal predilections. You're likely to find better bargains on the Kowloon side.

Hong Kong is Asia's most popular tourist destination with more than 10 million visitors in 1995.

THE Hong Kong Convention and Exhibition Center in Wanchai, occupying a six-acre site on the Island, hosted 2,200 events last year — conventions, trade fairs, company meetings and incentives — for 350,000 visitors.

An extension, planned to open in late 1997, will add 45 percent more space, all on reclaimed land.

Towering above Pacific Place on the Island — a multistory shopping mall — is a trio of hotels, the Conrad, the J.W. Marriott and the Island Shangri-La. Close by are the Grand Hyatt and the New World Harbour View (both next to the Convention Center), the Hotel Furama Kempinski, the Mandarin Oriental in Centraland, the Park Lane Hong Kong on Causeway Bay. All of these run from about 2,300 to 3,600 Hong Kong dollars (about $320 to $440).

Over in Kowloon, you have a rich choice of hotels. The legendary Peninsula, which opened in 1928, has acquired a 30-story tower block which adds 130 new rooms with views across Victoria Harbor to the neon-lit skyline of Hong Kong Island.

The Peninsula, with the highest rates in Hong Kong (4,300 to 20,000 Hong Kong dollars) and three staff members for every guest, blends Asian hospitality with high technology.

For example, a hands-free phone in the bathroom automatically mutes the sound of running water, the sound of the miniature TV above the bath or the audio extension when a call comes through.

Commercial Complex A trio of Omni hotels (the Marco Polo, the Prince, and the Hong Kong Hotel) in Harbour City, a bustling commercial complex next to the Star Ferry, offer good value, especially for suites.

The Kowloon Shangri-La (2,100 to 3,200 Hong Kong dollars), with great views across the harbor, is quiet and offers the same luxury and attention to detail as the Island Shangri-La across the water.

The Hotel Nikko and the Grand Stanford Harbour View are side by side a few minutes away on Mody Road, both with harbor views.

One of the best budget buys in Hong Kong is the Kowloon Hotel, also on Nathan Road, which runs 1,500 to 2,500 Hong Kong dollars.

Hotel restaurants offer some of the best cuisine in Hong Kong and are popular with local residents.

The ultimate for French cooking is Gaddi's at the Peninsula and Petrus on the 56th floor of the Island Shangri-La, both sublime and expensive.

For Chinese food try Lai Chin Heen at the Regent or the Shang Palace at the Kowloon Shangri-La.

The Brasserie on the Eighth at the Conrad, the Steak House at the Regent, the Mandarin Grill, along with the clubby, intimate Bentley's in Central, are reliable places to host a power lunch.

There is another side to Hong Kong. A surprising 70 percent of its 400-square-mile (1,000 square kilometer) territory is rolling hills and rural parkland. There are actually 235 islands.

Lantau, the largest island, to the west of Kowloon and Hong Kong is home to only a few thousand people, including an expatriate colony at Discovery Bay. It is 35 minutes by Hovercraft from Central. There are hillside Taoist temples, ancient fishing villages built on stilts, and miles of fine beaches. On the north coast, a satellite town being developed for Hong Kong's futuristic Chep Lap Kok airport is scheduled to open in 1998.

MOVIE GUIDE

Twentieth Century Fox

The Wonders, a '60s pop band that shoots briefly to fame in the Tom Hanks film "That Thing You Do!"

That Thing You Do!

Directed by Tom Hanks. U.S.

The thing Tom Hanks does best is act, but "That Thing You Do!" suggests Hanks has some solid options: He wrote and directed this film about the sudden rise and free fall of a young rock band, cast himself in a key (but not dominating) role, and wrote or co-wrote nine of the songs in the film. This is a charming pop tale about one-hit wonders who briefly occupy a bright space between stardom and failure. The Wonders hail from Erie, Pennsylvania. Like so many youngsters in 1964, they've translated a pop thrall rooted in the British Invasion into their own songs, their own dreams. When the band's regular drummer breaks his arm just before a local talent show, the other Wonders turn to pal Guy Patterson (Tom Everett Scott), a jazz-leaning free spirit working in his father's appliance store. Guy pumps up the rhythm and transforms "That Thing You Do!" from a dirgy ballad into a spirited Beatlesque masterpiece. That sets off a series of events that launches the Wonders. From Erie, the Wonders move to Pittsburgh, where even a disastrous appearance on a radio-sponsored show doesn't dim the interest of Mr. White (Hanks), the feisty head of Play-Tone Records. As "That Thing You Do!" climbs the Billboard chart, the band begins to realize the perks and the limitations of their success, particularly the latter. Meanwhile, conflicts escalate within the band, capped by a tense appearance on the Sullivan-like "Hollywood Television Showcase." By then, the Wonders understand that they're just small wheels in the starmaking machine, but the realization comes too late to prevent the band's implosion. The only female with a substantive role here is the ubiquitous Liv Tyler, she of the drowning-pool eyes, playing Jimmy's frequently ignored girlfriend, Faye. A late-blooming kiss — we can't say with whom — is about as hot as things get in this circumspectly PG film.

(Richard Harrington, WP)

American Buffalo

Directed by Michael Corrente. U.S.

Ratso Rizzo, Dustin Hoffman's down-and-out character in "Midnight Cowboy," may have died on a bus trip from New York to Florida, but his ghost haunts David Mamet's dankly effective adaptation of his 1975 play "American Buffalo." It is not a happy picture. In the film, Hoffman gnaws at the role of Teach, a motor-mouthed small-time hustler and spiritual descendant of Ratso with a fussy, beady-eyed avidity that is as repellent as it is creepily fascinating. It is a very different interpretation from Al Pacino's much showier, higher-strung portrayal on Broadway. This ugly fable of American free enterprise at the bottom of the food chain examines the mutual treachery of three bungling losers whose planning of a petty burglary ultimately destroys their tenuous mutual trust. Don (Dennis Franz), the owner of a junk shop, has recently sold a rare buffalo-head nickel to a stranger in town who is staying around the corner from his store. Convinced that the coin is much more valuable than the $90 he was paid for it, Don has engaged Bobby (Sean Nelson), his gofer and surrogate son who has a history of drug abuse, to break into the house and retrieve it. Enter Teach, Don's poker-playing buddy, who immediately sniffs out the scheme and convinces Don that the break-in is too tricky an operation to be entrusted to a teenager. Teach fast-talks Don into letting him take Bobby's place. Later when Don insists on bringing in a third card-playing friend named Fletch, Teach musters all his paranoid ingenuity to prevent it. As the scheme grows more and more complex, the team's incompetence to carry it out becomes increasingly evident. "American Buffalo" is supposed to build into the explosive moment when Teach snaps and hits Bobby. But Michael Corrente's camera has spent so much time studying the characters' faces that they have the quality of talking heads.

(Stephen Holden, NYT)

RECORDINGS

Leon Parker "Belief" (Columbia): Minimialist drummer Parker became known through his light and spicy accompaniment of the Young Lion pianist Jacky Terrasson. A sort of anti-drum drummer, now his own leader, Parker's music is melodious and innovative with plenty of breathing space. This is an old-lick-free zone.

Richard Galliano "New York Tango" (Dreyfus): Galliano is one significant exception to the description of the accordion as a "base bellows." Coming from somewhere between Astor Piazzolla, Django Reinhardt and Joe Zawinul, he has developed a style known as "Musette Jazz." The Frenchman Galliano is accompanied by the neo-Gypsy guitar of Bireli Lagrene, the "Bad Czech" George Mraz, bass, and drummer Al Foster.

Duke Ellington "Prelude to a Kiss, the Duke Ellington Album" (Philips): Where easy jazz meets the light classics, a surprisingly good place to be in this case. Good company includes Charles McPherson, saxophone, Cyrus Chestnut, piano, and, most notably, the American-in-Paris singer Dee Dee Bridgewater. Her talent continues to leap and bound along with her career in the wakes of Josephine Baker and Ella Fitzgerald. She is accompanied by the Hollywood Bowl Orchestra conducted by John Mauceri (solo by Wynton Marsalis).

Count Basie "Count Basie and the Kansas City 7" (Impulse!): On this reissue from 1962, the Kid From Red Bank is supported by Thad Jones and Frank Foster in the front line, and the streamlined four-to-the-bar strum of the eminence grise guitarist Freddie Green. Check out "Shoe Shine Boy" and "Senator Whitehead."

Mike Zwerin/IHT

ARTS GUIDE

AUSTRIA

Vienna
Palais Liechtenstein, tel: (1) 317-6900, closed Mondays. To Jan. 6: "Lucio Fontana: Retrospective." The Italian sculptor and painter (1899-1968) is one of the trailblazers of art featuring perforations, cracks and cuts on the canvas. On show are 150 paintings and prints, as well as ceramic and bronze works.

BELGIUM

Ostende
Museum voor Moderne Kunst, tel: (59) 50-81-18, closed Mondays. To Feb. 2: "D'Ensor a Delvaux." 150 works by James Ensor (1860-1949), a pioneer of both Expressionism and Abstract Expressionism; Leon Spilliaert (1881-1946), who combined Symbolist and Expressionist elements; Surrealist Rene Magritte (1898-1968); Constant Permeke (1886-1952) who created realistic scenes with peasants, fishermen and rural landscapes and Paul Delvaux (born 1897), better known for juxtapositions of female nudes and architectural or railway scenes.

BRITAIN

Cambridge
The Fitzwilliam Museum, tel: (1223) 332-900, closed Mondays. To March 31: "Rembrandt and the Nude." From the museum's collection, a series of nudes spanning 30 years of the Dutch painter's career. Also, to Dec. 22: "The Golden Century." Dutch Old Master drawings from the museum's collection. Features drawings of people, animals and flowers, and drawings with a religious context by 17th-century artists such as Rembrandt, Cuyp, Bloemaert and the van de Veldes.

London
British Museum, tel: (171) 323-8525, open daily. Continuing/To Jan. 5: "Mysteries of Ancient China."
Hayward Gallery, tel: (171) 261-0167, open daily. Continuing/To Nov. 17: "Robert Mapplethorpe." Some of the flower studies, society photographs and sexually explicit images that have brought the American photographer both adulation and condemnation.
Royal Academy of Arts, tel: (171) 434-56-15, open daily. To Jan. 1: "Alberto Giacometti (1901-1966)." Features 200 sculptures, paintings, drawings and several rarely seen sculptures fromthe Swiss sculptor Surrealist period.

CANADA

Montreal
Montreal Museum of Fine Arts, tel: (514) 285-2000, closed Mondays. Continuing/To Oct. 27: "Magritte." A thematic view of René Magritte's work, which is characterized by the frequent and sometimes obsessive exploration of the same subjects.

A Gisele Freund portrait of Malraux, shown in Paris.

DENMARK

Copenhagen
Arken, Museum of Modern Art tel: (45) 33-69-69-69. Niels Rosing-Schow's new opera "Dommen (The Judgment)." Directed by Kasper Holten, conducted by Soren K. Hansen. Oct. 16 (premiere), 18, 20, 23, 25, 27, 29 and 30.

FRANCE

Chantilly
Musee Conde, tel: 44-62-62-69, closed Tuesdays. To Jan. 6: "Jean-Antoine Watteau (1684-1721) et Son Cercle dans les Collections de l'Institut de France." Drawings and paintings by the18th-century French artist and his contemporaries, such as Nicolas Lancret and Jean-Baptiste Pater.

Paris
Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuesdays. To Jan 6, 1997: "Luciano Fabro." The Italian artist has been developing since 1963 a rich and complex body of work. He has played a large part in the Arte Povera movement using perspectives to stimulate perception.
Galeries Nationales du Grand Palais, tel: (1) 44-13-17-17, closed Tuesdays. Continuing/To Dec. 9: "Nara: Tresors Bouddhiques du Japon Ancien, le Temple du Kofukuji." 50 works from the Kofukuji temple in Nara trace the evolution of Buddhist sculpture in Japan between the 7th and the 13th centuries.
Jeu de Paume, tel: (1) 47-03-12-50, closed Mondays. To Dec. 1: "Andre Malraux sous le Regard de Gisele Freund." A series of realistic portraits of the French writer and statesman, taken between 1935 and 1965 by the French photographer who believed "that everything [is] summed up in the human face." Also, to Dec. 1: "Sean Scully." Every year, over the past 17 years, the American artist selected one work to be dedicated to his wife Catherine Lee. The "Catherine Paintings" are exhibited here with the more recent "Floating Paintings."
Musee Rodin, tel: (1) 44-18-61-10, closed Mondays. To Jan. 5: "Rodin: Les Marbres de la Collection Thyssen." Six of Rodin's marble sculptures are on display here including "The Death of Athens" and "The Dream."

GERMANY

Berlin
Deutsche Oper, tel: (49) 30-34-384-01. Tchaikovsky's "Eugen Onegin." Directed by Götz Friedrich, conducted by Jiri Kout, with Lucio Gallo, Eva Johansson and Nadja Michael. Oct. 19 and 25.

Bonn
Kunst- und Ausstellungshalle der Bundesrepublic Deutschland, tel: (228) 91-71-200, closed Mondays. Continuing/To Nov. 15: "Art from Austria: 1896 to 1996."

Cologne
Museum für Angewandte Kunst, tel: (221) 221-5714, closed Mondays. Continuing/To Dec. 8: "Prunkvolles Zarenreich: Eine Dynastie Blickt Nach Westen, 1613-1917." Examples of the magnificence at the court of the Romanovs of Russia.

ITALY

Florence
Teatro Comunale, tel: (55) 211-158. Puccini's "Madama Butterfly." Directed by Keita Asari, conducted by Daniel Oren, with Daniela Dessi/Adriana Morelli, Richard Leech/Badri Maisuradze and William Shimell/Angelo Veccia. Oct. 15, 16, 17, 19 and 20.

Venice
Palazzo Grassi, tel: (41) 522-1375. Continuing/ To Dec. 8: "Magna Grecia: I Greci in Occidente." Ancient Greek art.

JAPAN

Tokyo
Isetan Museum of Art, tel: (3) 33-52-11-11, closed Wednesdays. To Dec. 28: "Matisse and Modern Masters." On loan from the Baltimore Museum of Art, a selection of 73 paintings, drawings and sculptures by Matisse and works by Bonnard, Braque, Gauguin, Laurencin and Renoir. The exhibition will travel to Osaka.

POLAND

Warsaw
Centre for Contemporary Art, tel: (2) 628-76-83, closed Mondays. To Oct. 13: "Personal Time: Estonian, Lithuanian and Latvian Art, 1945-1996." Fifty installations, objects, paintings and photographs by artists from the Baltic states.

SPAIN

Barcelona
Fundacio La Caixa, tel: (3) 404-60-73, closed Tuesdays. To Dec. 1: "William Klein." Klein, born in 1928 in New York, was a photographer without an agenda. He had no knowledge nor any preconception of photography and shot whatever appeared in front of his lens, thus creating rather unorthodox works. More than 130 photographs are on display.

SWITZERLAND

Lugano
Museo Cantonale d'Arte, tel: (91) 22-93-56, closed Mondays. To Nov. 17: "Odilon Redon: La Natura dell'invisibile." 140 works, created between 1860 and 1915, by the French Symbolist painter.
Martigny
Fondation Pierre Gianadda, tel: (26) 22-39-78, open daily. Continuing/ To Nov. 11: "Edouard Manet." 100 portraits, landscapes and still lifes by the French painter (1832-1883).

UNITED STATES

Houston
Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To Jan. 5: "Masterpieces from the Pierpont Morgan Library." More than 150 objects from the library's collections, including medieval illuminated manuscripts, rare printed books, Old Master drawings and Near Eastern seals.

New York
Brooklyn Museum, tel: (718) 638-5000. closed Mondays and Tuesdays. To Jan. 12: "In the Light of Italy: Corot and Early Open-Air Paintings." Explores the work of European artists who broke new ground in landscape painting between 1780 and 1840, with paintings by Corot and lesser-known artists such as Carl Blechen, Thomas Jones and Simon Denis.
Metropolitan Opera, tel: (212) 362-6000. Smetana's "The Bartered Bride." Conducted by James Levine with Teresa Stratas/Gwynne Geyer, David Kuebler/Paul Charles Clarke. Oct. 16, 19, 24, 28; Verdi's "Rigoletto." Conducted by Carlo Rizi with Ruth Ann Swenson/Mary Dunleavy, Frank Lopardo/Roberto Alagna/Ramon Vargas and Frederick Burchinal/Juan Pons/Léo Nucci. Oct. 14, 22, 26 and 30.

Washington
National Gallery, tel: (202) 737-4215, open daily. To Jan. 5: "Georges de la Tour and His World." More than 40 paintings by the French painter (1593-1652) and 10 works by contemporaries, such as Caravaggio.

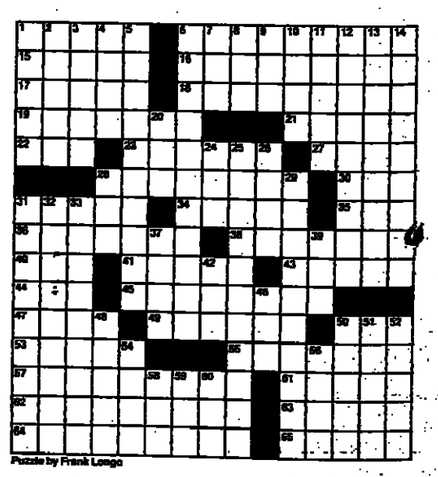
CLOSING SOON

Oct. 13: "Oskar Kokoschka." **Rupertinum, Salzburg, Austria.**
Oct. 13: "De Monet à Matisse." **Haags Gemeentemuseum, The Hague.**
Oct. 13: "Comme un Oiseau." **Fondation Cartier, Paris.**
Oct. 13: "Breaking Barriers: Recent American Craft." **American Craft Museum, New York.**
Oct. 14: "Modigliani Inconnu, Dessins de la Collection Alexandre." **Musée des Beaux-Arts, Rouen, France.**

CROSSWORD

ACROSS
1 Lilliputian
6 "Delirious" co-star, 1991
15 Where the Gia Lan International Airport is
16 Drop-in?
17 Attachment
18 Owing money
19 Kind of china
21 Popular stuffed carnival prize
22 "Very well"
23 Londoner's sour brew
27 Pilgrimage
28 More icy, informally
30 Dander
31 Pa. hub
34 Star of a one-woman Broadway hit, 1980-82
35 Itinerary word
36 Exceeded
38 Drives insane
40 Onion bits?
41 One of a Chekhov trio
43 Gershwin hero
44 Subject of a 1973 ban
45 It's in the "I" column in bingo
47 Crocus or freesia
48 Primp
50 Jacuzzi site
53 Beats
55 Entertainment center
57 Where one draws the line?
61 Site of ancient Ephesus
62 Sources of plumes
63 Butchers' offerings
64 Scalpers
65 Age and weight, e.g.

DOWN
1 Questionable
2 Member of the familia
3 Mount Aconcagua's locale
4 Creator of Lorelei Lee
5 Vic Tayback's sitcom co-star
6 Asthma sufferer's relief
7 "Whew!"
8 "D.C. Cab" actor
9 Word to a doctor
10 Part of an Army chant
11 Enlightened Buddhist
12 Mancini masterpiece
13 Crumbling
14 "Blind tiger"
20 Ransom ——— Olds
24 Major mail ctr.
25 Inflatable camping item
26 "General Hospital" regular Soler
28 ———mo
29 Censors
31 Jeane Dixon, for one
32 Bring up, as an orphaned animal
33 Nature guides?
37 Land of poetry
39 Family head?
42 Teachers' advocate, for short
46 Letters on a shoe box
49 Raison ———
50 Braga of "Kiss of the Spider Woman"
51 Word with dew or view
52 Squirrel away
54 Windmill blade
55 Kind of canal
58 Year in Fabian's papacy
59 Everyday article
60 Burns's "——— the Water to Charlie"



Puzzle by Frank Longo

© *New York Times/Edited by Will Shortz.*

Solution to Puzzle of Oct. 10

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LEISURE

A Roll of Coins, Mr. Bond?

By David Spanier

CANNES — "Another ten thousand, Mr. Bond?" inquires the croupier, spinning the roulette wheel. James Bond, suave as ever in his white tux, turns the palm of his hand down to signal "No." Instead, he points to the far end of the casino, beyond the gaming tables.

The croupier raises an incredulous eyebrow. "Do I understand that Monsieur wants *coins*? To play the *slot machines*?"

Has it come to this, 007 pulling for 7-7-7 on the slots? Not yet, but such a scene may not be too far off.

The last casino on the Cote d'Azur still presenting high stakes gambling in romantic style, as celebrated in movies and thrillers, is preparing to introduce a postmodernist touch. Slot machines are on their way to the Carlton in Cannes.

Overlooking the Croisette with its glittering arc of white hotels and golden beaches, the Carlton Casino, on the top floor of the hotel but separate from it, has the most elegant location on the coast.

Above the moonlit Mediterranean, the night scent of jasmine and sounds of revelry waft up to the casino balcony, enabling gamblers to breathe deeply of French tradition. Ironically, though, the Carlton Casino is run by a British group, London Clubs International.

And there is a snag to all this elegance. The Carlton Casino is losing money, or anyway not raking it in as a modern casino confidently expects to do. It has been a problem ever since London Clubs opened it in 1989: short season, high costs.

All along the Cote d'Azur, as throughout France, other casinos have gone relentlessly downmarket. The hush of the private salon has been overlaid by the click-clack of slot machines. Even the famous Cafe de Paris in Monte Carlo has long since been turned into a slot parlor, where anyone aged 21 can walk in off the street.

While the popular image of gambling may still be colored by "Casino Royale," the reality is that slots now account for more than 80 percent of the take in French casinos, part of the "Las Vegasization" of gambling in France.

Glitz With Slot Machines

So when London Clubs' new international director, Bill Timmins, looked the Carlton over earlier this year, he saw straight away what the answer had to be. Timmins had previously worked as a manager at the Ruhl casino in Nice. He knows the Cote d'Azur, not just as a casino operator but, married to a Frenchwoman, as a longtime resident.

The roulette tables, the blackjack, the punto banco (baccarat), the gloss and glitter of the Carlton should not, and would not, be moved. But a new space in this glitzy temple of high-roller gaming would have to be found to accommodate slot machines.

The number hit upon was 50. Fifty machines, earning a conservative 1,200 francs a day, or about $230 each, could turn the whole operation around. The slots could be installed, discreetly, in an alcove beyond the main gaming salon. Jackpots paying, say, a million francs, would be big enough to tempt casual players from the beach and even lure a few high rollers from the tables.

This is just where James Bond is needed. For when Jean Sourbes, the Carlton manager, went down to the Cannes city hall in early summer to put in the casino's official application, he was reportedly informed by the mayor, Michel Mouillot, that the casino's application for slots would be expedited by a payment of 3 million francs. A couple of weeks later a request was made for half this sum to be paid over to a courier at the Ritz Hotel in London, the French press has since reported.

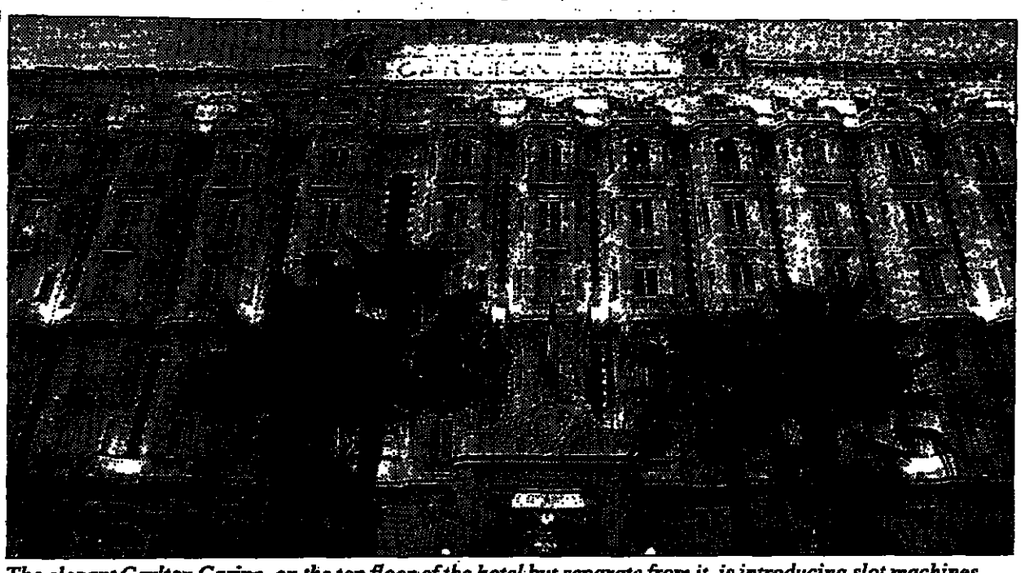
According to the reports, the emissary who arrived at the Ritz carried a bulging suitcase that, in the best spymaster tradition, was stuffed with old newspapers. He was from Scotland Yard.

Charged with "passive corruption," the mayor of Cannes has spent the summer in jail in Grasse, awaiting the investigating judge's decision. Legal proceedings continue. The life of Cannes goes on.

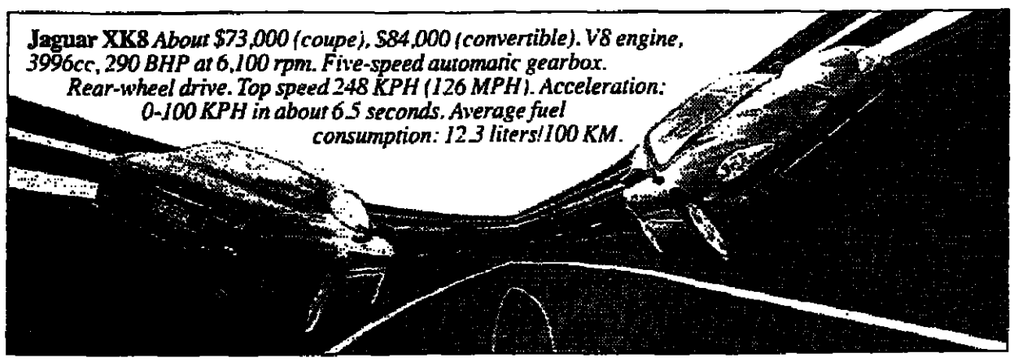
But what of the slots, after this cloak-and-dagger drama? The Cannes municipal council has approved an application to install up to 100 machines, with no illicit payments. If the process is completed, slots will be up and running in the Carlton by the end of the year.

Another roll of coins, Mr. Bond?

David Spanier is a free-lance journalist based in London.



The elegant Carlton Casino, on the top floor of the hotel but separate from it, is introducing slot machines.



Jaguar XK8 *About $73,000 (coupe), $84,000 (convertible). V8 engine, 3996cc, 290 BHP at 6,100 rpm. Five-speed automatic gearbox. Rear-wheel drive. Top speed 248 KPH (126 MPH). Acceleration: 0-100 KPH in about 6.5 seconds. Average fuel consumption: 12.3 liters/100 KM.*

THE CAR COLUMN

The Comeback of the Jaguar

By Gavin Green

THE best thing about old Jaguars is that they're comfortable to sit in while you wait for the breakdown truck to arrive. Oh, and they look good. All Jags have looked good. It's the main reason why so many people like Jaguars, and have stayed loyal to the marque even though Mercedes, BMW and Lexus have long made better cars.

Jaguars are emotional rather than common-sense cars. They have a personality. And, like cats, they're unpredictable. When they don't want to play — well, you just have to rough it out, or take the other car. Most sensible Jaguar customers have a stand-by mode of transport, just in case the Jag feels like a day at home.

Jaguar quality has been the subject of debate ever since the company's name was changed, just after the war. Back in the '30 and early '40s, the company was called SS Cars — but that wasn't a very popular set of initials in Britain back in 1945. Jags soon earned a reputation for fantastic style, breathtaking performance (helped by a series of Le Mans wins in the '50s) and low prices (because founder Sir William Lyons mostly used cheap components). Quality wasn't great; but at a fraction of what the Germans were charging, and with all that style and performance, who was complaining?

Nationalized Mire The real trouble started when Jaguar was sucked into the British Leyland mire, that nationalized botch-up that neutered many great British brands. Back in the '70s, quality reached a nadir.

Then Margaret Thatcher rode into Downing Street and, just as its cars were breaking down, British Leyland was broken up. Jaguar was hived off to the private sector and one of Thatcher's believers — John Egan — was put in charge. Egan was a consummate media manipulator and team motivator. "Quality has never been better and it's improving all the time" was his battle cry, and because everyone deep down loves Jaguars and wanted to believe him, most people did. Staff morale boomed, sales grew. Egan was knighted and was feted as one of Britain's greatest businessmen.

It was mostly baloney, of course. But without Egan's skills, Jaguar probably wouldn't have survived. Even Ford was bluffed. It bought Jaguar for a preposterously high $2.5 billion in late 1989, shortly before discovering that Jaguar's manufacturing skills had barely moved on from the hammer, furnace and smithy days. But Ford has spent the past seven years wisely. That Russia House of a factory has been ripped up and reworked. The engineering and manufacturing teams have been transformed, frequently by the appointment of Ford-trained overseers. And new models have been launched.

The most recent, just on sale in Europe, is the XK8, the first new Jaguar sports car since the XJS of 1975. It also uses a new engine, only the fourth in Jaguar history. It's too early yet to issue prophetic eulogies on its reliability, but the quality seems excellent. And, as Jaguar has used only top quality Ford-trusted suppliers, it seems highly probable that the car will stay that way.

The styling is conservatively classy. It is not the radical looker that the jaw-dropping E-type Jaguar was, back in 1961. Jaguar owners are older and straighter now; they want a comfortable grand tourer rather than a frantic road racer. The new V8 is the car's greatest strength: velvety smooth yet with a deep growl when pushed. The handling and high-speed composure are completely commensurate with those of a 250-kph sports car, yet should you wish to tootle at low speed, that marvelously olde-worlde leather and wood cabin (with one of the biggest planks of walnut for a dash ever seen) takes you back to a world of white-gloved butlers carrying silver salvers serving tea in front of an open fire in an Edwardian drawing room, your slippered feet resting on the leather footstool. It's just all so therapeutic.

The ride is actually a little firmer than some Jag owners may like: it's a sporting car, after all, and you can feel the road pimples a little more acutely than in the old XJS, which felt as though suspended on cotton wool. (Trouble was, it felt the same way when you wanted to go around corners quickly.)

OTHER downsides are a cramped cabin, an upshot of using the old XJS floorpan. That saved Ford money, but also means that the transmission tunnel is absurdly obtrusive. Only the very tall, or the very fat are likely to complain. There are exiguous rear seats, but they're better able to carry coats than kids: only small children will feel happy there. The trunk though is quite big. It's designed to be able to carry two sets of golf clubs (which gives a fair idea of Jaguar's target market).

The XK8 comes either as a hardtop coupe or in convertible form. They are both impressive cars and both good value compared with German rivals such as the Mercedes SL or BMW 8-series. More important, they look to be well-made reliable machines — yet still with all the charm and style expected of a Jaguar. They are proof of a newly matured car company, and of Ford's clever stewardship of it.

Next: the Ford Ka.

Gavin Green is the editor-in-chief of Car magazine.

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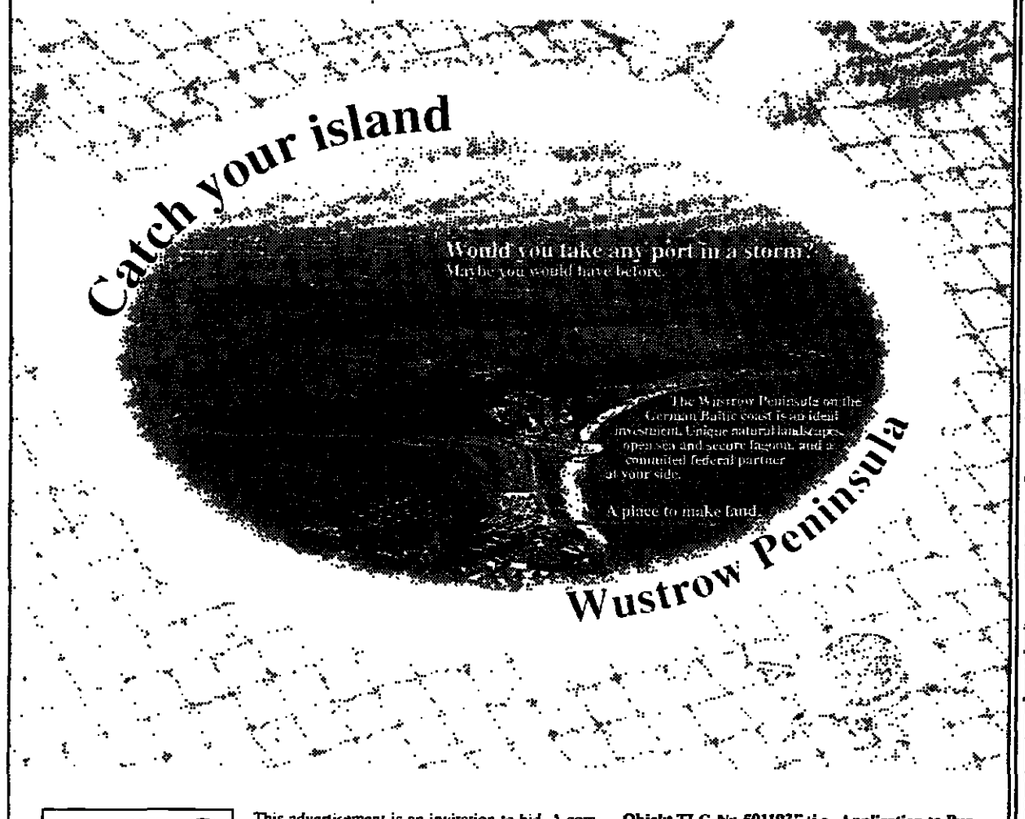

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This advertisement is an invitation to bid. A comprehensive description of the peninsula and the development plan, as well as participation and bidding conditions are presented in a memorandum.
To obtain this memorandum, please contact Mr. von Stein at (+49 381) 499 41 92 or by fax at (+49 381) 499 42 32 (fax preferred).

Bids must be submitted in writing, in accordance with the instructions given in the memorandum and using the enclosed forms. Please send your bid in a sealed envelope bearing the notice "**Preisangebot für das Objekt TLG-Nr. 501193**" (i.e., **Application to Purchase, TLG Property No. 501193**) to the TLG Treuhand Liegenschaftsgesellschaft mbH, Rechtsabteilung (see address of the branch office below). Your bid must be received by the TLG Legal Department **on or before January 15th, 1997, at 6 p.m.**

We regret that we cannot consider bids sent by fax. The property is subject to prior sale. TLG is under no obligation to accept the highest or any other particular bid. No liability is assumed for the completeness or correctness of the above information.

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هكذا من الاصل

Merry Christmas For Retail Sales?

U.S. Firms See Reason for Hope

By Jennifer Steinhauer
New York Times Service

NEW YORK — For retailers to have their best Christmas in years, the stock market must continue to go gangbusters, stores will have to have whisper-thin stacks of inventory, and shoppers must suddenly agree to pay full price just for the fun of it — all of that in a year with five fewer shopping days between the Thanksgiving Day holiday and Christmas than there were last year.

Retail specialists agree, however, that this could still be a reasonably good U.S. holiday season, as at least some of those factors will almost certainly exist. The fact that presidential election years are traditionally good for retailing, along with prevailing high levels of consumer confidence and attractions such as new video games and apparel styles, makes prospects even better.

"I think it will be a good Christmas," said Carl Steidtmann, an economist at Management Horizons, a consulting unit of Price Waterhouse & Co. "Retailers are set up to be more profitable. Levels of apparel inventory are very low, which puts less pressure on them to promote. There is a change between the balance of supply and demand that is better than we have seen in a long time."

Christmas is always the make-or-break season for U.S. retailers. But it is unlikely that retailers could fare any worse this Christmas than they did in 1995, which, excluding recessions, was the worst in a decade.

The question is whether retailers can reach the stellar sales gains of nearly 8 percent they saw in 1992 — a goal that some retail specialists now say is attainable, although others are keeping their growth estimates closer to 5 percent.

Some of last year's themes remain. High-end retailers such as Saks Fifth Avenue, owned by Saks Holdings Inc., Neiman Marcus, a unit of Harcourt General Inc., and luxury jewelry stores are positioned to rake in the cash from shoppers flush with gains from Wall Street's tireless bull market.

Those retailers also have a monopoly on brand-name purses, belts and shoes.

"It is going to be much more intense this year in terms of brand awareness," said Rose Marie Bravo, president of Saks Fifth Avenue.

On the opposite end, discount stores are also looking forward to a good season.

Merchants in the middle, however, particularly specialty stores that dot America's malls, are still struggling. "The middle ground does not seem to be performing too well," said Kurt Barnard, president of Barnard's Retail Marketing Report.

Mall-based stores have all had a tough few years and are facing Christmas fearfully.

Retailers will show "varying levels of performance," said Matthew Fassler, a retail analyst at Goldman, Sachs & Co., "but I am not looking for any disasters."

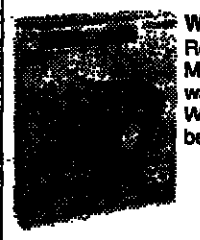
Shoppers generally have been sitting on their wallets since last Christmas. But retail spending has so far defied all other economic trends.

While consumer confidence hit a six-year high in September, and housing and car sales continue to be strong, retail spending, or same-store sales, has lagged month after month. When retailers report their results for stores open at least a year, the numbers are expected to be mediocre at best.

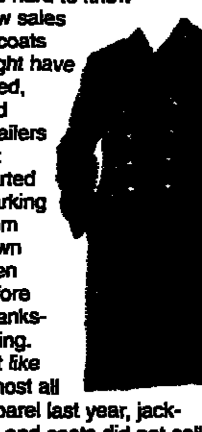
A Year to (Mostly) Forget

Last year's U.S. Christmas season was an overall disappointment to retailers. While there were a few bright spots, even products that retailers thought would sell briskly often did not. Here are some of last year's most hyped items, and how they actually fared.

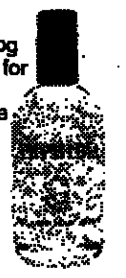
SLINKY DOG
As widely anticipated, the film "Toy Story" stimulated sales of classics, like Slinky, Mr. Potato Head and crayons. Characters introduced in the film — like Buzz and Woody — did less well.



WINDOWS 95
Released well before the holiday season, Microsoft's computer operating system was supposed to save Christmas. While it was not a Grinch, sales fell below expectations.



WINTER COATS
It is hard to know how sales of coats might have fared, had retailers not started marking them down even before Thanksgiving. But like almost all apparel last year, jackets and coats did not sell as well as retailers had hoped.



AMPHIBIA
Kermit the Frog as inspiration for a perfume? This fragrance for women, a product from Jim Henson Productions, did well as a novelty last Christmas, then was almost immediately discontinued.

Photographs by Naum Kazhdan/New York Times

"It is hard to reconcile soft consumer-spending numbers with the broader economic picture," said Louis Crandall, chief economist at R.H. Wrightson & Associates Inc. "I just don't think the soft numbers can last."

But just in case shoppers are not as eager as everyone hopes, retailers are planning to keep inventory levels low. Most say they will not put their wares on sale before the holidays, but they are headed for the usual showdown against tough-minded shoppers enamored of sale signs.

While almost all the experts said there were still far too many stores for too few shoppers, the number of stores that have gone out of business has increased 7 percent for the year, according to Dun & Bradstreet, and this has eliminated some competition.

Something that could stand between retailers and shoppers' pocketbooks, nevertheless, is the issue of personal debt. Analysts pointed out the perception that consumer borrowing is out of control.

Retailers also have been lamenting a late Thanksgiving that will make the official shopping season five days shorter than last year.

For miscellaneous gifts, golf clothing and accessories are expected to sell splendidly; cigar smoking has spawned its own small retail boom for humidors, cigars, and other related supplies; and Mr. Potato Head, the poinsettia of Christmas toys, will be sold in the form of a back-scratcher. It could hardly fare worse than last year's Kermit the Frog perfume.

Former Gemina Executives Charged With Book-Rigging

Bloomberg Business News

MILAN — Italian public prosecutors issued arrest warrants Thursday for five former executives of Gemina SpA, charging them with tampering with the holding company's accounts.

Riccardo Riccardi, former chief executive of Gemina Financial Services, has been arrested and is being held in Rome, and Emil Schneedberg is being held in Bergamo, the ANSA news agency said.

The Milan prosecutors, Francesco Greco and Carlo Nocerino, also ordered the arrests of former Gemina executives Felice Vitali, Alberto Ronzoni and Mariano Latini, ANSA said.

Prosecutors suspect the five executives of rigging Gemina's books to siphon funds into overseas accounts, according to press reports. The men allegedly sent unexplained credits and cash to various accounts within Italy.

The five are suspected, ANSA said, of hiding 40 billion lire ($26.3 million) in losses from two Gemina subsidiaries, Gemina Risk Management and Gemina Capital Markets.

Arrests were expected as part of the Milan prosecutors' investigation into Gemina to determine whether management had hidden losses in 1994 and 1995 as it launched a 1.5 trillion lire capital increase in March 1995. A Gemina spokeswoman said the company had no comment.

Olivetti plans to ask shareholders for more capital. Page 15.

The arrests came several days after the company decided to spin off its ailing securities and financial-services units from its industrial investments.

Gemina stock closed 8 lire lower Thursday, at 712.

Freshly disclosed losses at Gemina's RCS Editori publishing unit dating back to the early 1990s and losses at its securities unit forced the company to restate its 1995 losses twice. The final tally of the loss was 694.5 billion lire.

The losses also torpedoed a planned merger between Gemina and Ferruzzi Finanziaria SpA, now Compart, engineered by Mediobanca SpA. Gemina is controlled by Mediobanca and the Agnelli family.

■ Fiat to Cut Production

Fiat SpA said it would temporarily lay off thousands of workers in November as it cut production by 26,500 cars, AFX News reported from Rome.

But Roberto Testore, head of the Fiat Auto unit, said he thought the company's Italian market share would be "more or less" unchanged from last year. His comments came after the Transport Ministry said that in the nine months to September, new car registrations for Fiat's Lancia brand saw registrations drop about 12 percent.

An Indebted Firm Is Born

Time Warner-Turner Becomes a Media Giant

Compiled by Our Staff From Dispatches

NEW YORK — Shareholders of Time Warner Inc. and Turner Broadcasting System Inc. voted overwhelmingly Thursday to create a media powerhouse by approving Time Warner's $7.5 billion purchase of Turner.

Gerald Levin, Time Warner's chairman, will head the company. Ted Turner will be the No. 2. The new company combines Mr. Turner's cable empire, including Cable News Network, with Warner's cable, music, film and magazine holdings. The new company also has more than $17.5 billion in debt.

"Time Warner now has a full portfolio of everything they need," said Gordon Crawford of Capital Guardian Research, which will own a substantial amount of the new company's stock. "Now is the time to get debt down and drive cash flow."

Mr. Turner, who will become the company's largest shareholder, with an 11 percent stake, shrugged off a recent challenge to stall the sale. On Wednesday, News Corp.'s Fox News Network LLC filed a $1.25 billion antitrust suit to halt the transaction. "The Fox suit is a frivolous piece of junk," Mr. Turner said.

As a condition for the merger, Time Warner was required by federal antitrust regulators to carry a second all-news channel on some of its cable systems.

Fox has argued that Time Warner violated a deal to carry the Fox News Channel by using MSNBC instead. Time Warner denies a deal was reached.

The battle has personal as well as legal elements. Mr. Turner and Mr. Murdoch are longtime antagonists, as highlighted by Mr. Turner's recent remark comparing Mr. Murdoch to Hitler. He apologized to one Jewish group, but apparently not to Mr. Murdoch.

Wall Street appeared happy with the outcome. Time Warner's stock, which had basically lethargic for several years, has risen about 10 percent in the past two weeks. It rose 12.5 cents in at the close of trading Thursday, to $41.25. Stock in Turner rose 50 cents, to $31.25. The deal was not without controversy, including a tough antitrust review by the Federal Trade Commission, a lawsuit from U S West Inc. and widespread doubt over Mr. Turner's ability to accept a No. 2 role.

Mr. Turner also took some criticism for his relationship with Michael Milken, the former junk-bond dealer who was jailed in the late '80s for insider trading. Mr. Milken will collect a $50 million fee for advising Mr. Turner on the merger. (AP, Bloomberg)

U.S. Deficit Is Smallest In 15 Years

By Clay Chandler
Washington Post Service

WASHINGTON — The U.S. federal government is expected to finish the 1996 fiscal year with a budget deficit of $109 billion, the smallest annual revenue shortfall since 1981, according to a preliminary estimate by the Congressional Budget Office.

The agency's new estimate is a sharp drop from the 1995 deficit of $164 billion and the fourth consecutive decline in the figure. It reflects higher-than-expected tax receipts generated by a surprisingly strong economy and a surge in revenue from tax payments on the sale of stocks, property and other assets, according to analysts familiar with the projections.

The Budget Office's calculation prompted a scramble by both Republicans and Democrats to claim credit for shrinking deficits.

"Congress Brings Budget Deficit Down to $109 Billion," said the Senate Budget Committee chairman, Pete Domenici, Republican of New Mexico, and the House Budget Committee chairman, John Kasich, Republican of Ohio, in a headline on a joint statement that disclosed the new estimate Wednesday.

They noted that new figure was well below the $197 billion deficit proposed by President Bill Clinton in his fiscal 1996 budget.

Clinton aides, not surprisingly, hailed the news as a product of presidential leadership.

"The single most decisive factor was the president's commitment and courage in passing the 1993 economic plan," said Gene Sperling, a deputy for Mr. Clinton's National Economic Council. "Every major Republican leader said at that time the plan wouldn't work and it would drive the deficit up."

The steady decline in federal deficits is widely credited with helping to keep interest rates lower than they would have been otherwise.

The decline during Mr. Clinton's administration has made it easier for the U.S. Federal Reserve Board to avoid raising interest rates as a check on inflation. Lower inflationary expectations, in turn, have encouraged investors.

Nevertheless, neither side chose this week to dwell on the fact that budget analysts at both the Congressional Budget Office and Mr. Clinton's Office of Management and Budget agree that deficits are likely to begin rising again next year in the absence of further tax increases or spending reductions.

WALL STREET WATCH

With 6,000 in Sight, How Long Can Rally Last?

Bulls Get Nervous as Their Ranks Swell

By Jill Dutt
Washington Post Service

NEW YORK — After enduring three days this week of the Dow Jones industrial average flirting with the 6,000 mark, longtime bulls are growing jumpy about the shrinking ranks of pessimists on Wall Street.

"I get very nervous when everyone's in the same camp," said Jack Baker, chief equity trader at brokerage Furman Selz in New York.

The most recent defection from the bear camp was Morgan Stanley & Co. Its investment strategists, abandoning their prediction of a 1,000-point decline in the Dow, said Friday they expected the market to rise 10 percent.

"With fewer and fewer bears out there at this point, that sets us up for a correction," said Eugene Peroni, technical analyst at brokerage firm Janney Montgomery Scott in Philadelphia.

Nervous though they may be, few bulls can point to a fundamental reason stocks should take an imminent dive. Mr. Baker said that if interest rates stayed low and inflation remained subdued, he could see no reason both blue-chips and secondary stocks should not go higher.

Mr. Peroni added that even though he saw some moderate parallels between today and October 1987 — when the Dow plunged 508 points in one day — he saw nothing on the horizon that could knock the market back significantly.

"Often in the past, when the market makes a new high it's due to a fairly focused, narrow base," Mr. Peroni said. "But this rally is broad-based, and there's been good backing-and-filling behavior in many individual stocks. There's little likelihood for a steep retreat."

Abby Joseph Cohen, chief equity strategist at Goldman, Sachs & Co. and an unabashed bull, ticked off several reasons the market should move higher: Corporate earnings growth will continue, albeit at a decelerated pace; the European economy looks as if it may pull out of its current "punk," and the U.S. Federal Reserve Board is unlikely to raise interest rates aggressively.

If bears need another reason to throw in the towel, there is always demographics. "Baby boomers are becoming more savings-oriented," said Blu Putnam, chief equity investment officer for Bankers Trust Investment Management. "Whenever the baby boomers have done anything differently than their parents, it's always been a long-term trend."

Bears Get a Nasty Case of Whiplash

By Tom Petruno
Los Angeles Times

LOS ANGELES — The stock market loves nothing more than humbling people who try to tell it to do what it does not want to do.

Just look at the professional stock-market timers who got out of the market and issued dire warnings just as it hit its most recent bottom in July.

Perhaps the loudest bear at the time — or at least the one who got the most publicity — was Elaine Garzarelli of Garzarelli Capital. Since the October 1987 stock market plunge, she has been known as The Woman Who Called the Crash, and at that time she was, in fact, bearish and correct.

But history did not repeat itself this summer. Ms. Garzarelli told clients on July 23 that the market was poised to drop sharply from its already depressed level. She foresaw a decline of 15 percent to 25 percent in major stock indexes from their spring highs.

As it turned out, July 23 marked the closing low for the Dow this summer: It dropped 44.39 points to 5,346.55 that day, in part because of Ms. Garzarelli's bearish comments, but since then the index has risen 575 points to close at 5,921.67 on Thursday, a gain of almost 11 percent.

But if Ms. Garzarelli and her clients have a bad case of collective whiplash, they are not alone:

- Fabian Investment Resources of Huntington Beach, California, which advises thousands of mutual-fund investors on market timing, got its clients out of U.S. stock funds on July 16, which was the day the Dow index reached its intraday summer low of about 5,175, although it was higher by the time trading ended.

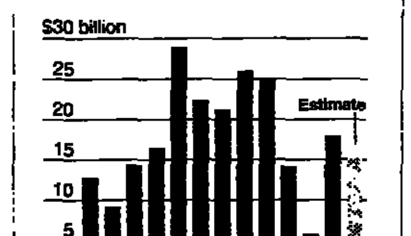
Fabian's clients were advised to buy again Sept. 6, with the Dow back up to 5,659.86.

- Charles Hooper, editor of the Mutual Fund Strategist newsletter in Burlington, Vermont, told his clients to sell on July 15, then bought into the market again on Aug. 20, nearly 400 Dow points higher.
- Byron Wien, strategist for Morgan Stanley & Co. in New York, was a national celebrity in mid-July on the basis of his months-old warning of an imminent 1,000-point decline in the Dow. It looked like the Dow was well on its way to fulfilling Mr. Wien's pre-

See BEARS, Page 17

Less Yet Still More

Cash flows* into U.S. stock funds fell some in September, but the total for the month was still among the 10 highest months on record.



*Monthly cash flows include sales, redemptions and net transfers but exclude reinvested dividends.

Source: Investment Company Institute

NYT

Mutual Funds Stay Popular

New York Times Service

Equity mutual funds took in $16 billion in net new investment in September, down 10 percent from August but on track to nearly double the overall contributions to stock funds in any previous year, according to the Investment Company Institute, a trade group.

Stock funds have taken in $177.6 billion so far this year, the group reported. If that pace continues, net inflows would reach $237 billion for the year, compared with the previous record of $129.6 billion in 1993.

CURRENCY & INTEREST RATES

Cross Rates

Oct. 10

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.716	2.687	1.1216	0.3317	0.1126*	—	5.4445*	1.3709	1.5421*	1.27	1.333*
Brussels	30.515	48.175	20.5975	6.094	2.0242*	18.3625	—	25.18	0.2831	23.34	24.48*
Frankfurt	1.5302	2.3974	—	0.2958	0.1004*	0.8914	4.8547*	1.2210	1.3745*	1.134	1.1884*
London (a)	1.5655	—	2.3957	8.0968	2,382.46	2.6857	49.329	1.9602	174.36	2.1156	201.5504
Madrid	128.989	201.887	84.172	24.898	8.451*	75.034	4.0859	100.872	.115717*	95.432	—
Milan	1,522.75	2,382.80	995.40	294.63	—	888.64	49.389	1,215.55	13.4631	1,127.87	11.843
New York (b)	—	1.5666a	1.5283	5.168	1,522.00	1.7134	31.49	1.2496	111.275	1.3506	128.63
Paris	5.1775	8.1055	3.3867	—	0.3395*	3.0137	0.1640	4.1318	4.6477*	3.8029	4.0825*
Tokyo	Closed										
Toronto	1.3513	2.1165	0.8843	0.2615	0.0889*	0.7886	0.4292*	1.0814	1.2155*	—	1.051*
Zurich	1.2521	1.9602	0.8185	0.2421	0.0823*	0.7299	3.9737*	—	1.1254*	0.9266	0.9725*
1 ECU	1.2544	0.794	1.9156	6.4503	2009.74	2.1537	39.4855	1.5718	139.735	1.6944	162.9775
1 SDR	1.4388	0.9192	2.2031	7.4494	2,394.67	2.4719	45.3546	1.8038	N.Q.	1.949	185.433

Closings in Amsterdam, London, Milan, New York, Paris, and Zurich, fixings in other centers; Toronto rates at 3p.m.
a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	240.37	Mex. peso	7.58	S. Afr. rand	4.551
Australian $	1.2689	Hong Kong $	7.732	N. Zealand $	1.4463	S. Kor. won	828.30
Austrian sch.	10.768	Hung. forint	158.68	Norw. krone	6.51	Swed. krona	6.6021
Brazil real	1.031	Indian rupee	35.64	Phil. peso	26.26	Taiwan $	27.49
Chinese yuan	8.3305	Indo. rupiah	2317.95	Polish zloty	2.81	Thai baht	25.44
Czech koruna	27.19	Irish £	0.6234	Port. escudo	154.92	Turkish lira	92924.0
Danish krone	5.864	Israeli shek.	3.1899	Russ ruble	5422.00	UAE dirham	3.6705
Egypt. pound	3.3945	Kuw dinar	0.3002	Saudi riyal	3.75	Venez. boliv.	466.50
Fin. markka	4.5773	Malay. ring.	2.5066	Sing. $	1.4092		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5643	1.5638	1.5636	Japanese yen	110.91	110.44	109.94
Canadian dollar	1.3487	1.3466	1.3444	Swiss franc	1.2490	1.2448	1.2407
Deutsche mark	1.5282	1.5250	1.5219				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Oct. 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	3 - 3 1/8	1 3/8 - 1 1/2	5 3/4 - 6 1/16	3 5/16 - 3 7/16	3/8 - 1/2	3 15/16 - 4 1/16
3-month	5 3/8 - 5 1/2	3 - 3 1/8	1 1/2 - 1 5/8	5 7/8 - 6	3 3/8 - 3 1/2	7/16 - 1/2	3 15/16 - 4 1/16
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 1/2 - 1 5/8	5 15/16 - 6 1/16	3 3/8 - 3 1/2	7/16 - 9/16	3 15/16 - 4 1/16
1-year	5 13/16 - 5 15/16	3 1/16 - 3 3/16	1 9/16 - 1 11/16	6 1/16 - 6 3/16	3 7/16 - 3 9/16	9/16 - 5/8	3 15/16 - 4 1/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 5/16	5 1/4
3-month CDs	4.99	4.99
CP 180 days direct	5.33	5.33
3 month Treasury bill	5.02	4.99
1-year Treasury bill	5.31	5.30
2-year Treasury bill	5.99	5.92
5-year Treasury note	6.36	6.30
7-year Treasury note	6.46	6.40
10-year Treasury note	6.61	6.55
30-year Treasury bond	6.88	6.83
Merrill Lynch 30-day RA	4.88	4.88
Japan		
Discount rate	0.50	0.50
Call money	Clsd.	0.39
1-month interbank	–	0.53
3-month interbank	–	0.53
6-month interbank	–	0.59
10-year Govt bond	–	2.75
Germany		
Lombard rate	4.50	4.50
Call money	3.07	3.10
1-month interbank	3.12	3.12
3-month interbank	3.16	3.16
6-month interbank	3.17	3.17
10-year Bond	6.01	5.98

Britain	Close	Prev
Bank base rate	5 3/4	5 3/4
Call money	5 3/4	5 7/8
1-month interbank	5 13/16	5 13/16
3-month interbank	5 15/16	5 7/8
6-month interbank	6 1/16	5 15/16
10-year Gilt	7.45	7.36
France		
Intervention rate	3.25	3.25
Call money	3 1/4	3 1/4
1-month interbank	3 3/8	3 3/8
3-month interbank	3 7/16	3 3/8
6-month interbank	3 7/16	3 3/8
10-year OAT	6.10	6.10

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	381.60	381.70	+ 0.05
London	381.60	381.75	+ 0.40
New York	383.70	384.40	+ 0.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)

Source: Reuters.

ABB's Moves Greeted as 'Smooth' Transition

Compiled by Our Staff From Dispatches

ZURICH — ABB Asea Brown Boveri Ltd. said Thursday that the head of its power unit, Goeran Lindahl, would succeed Percy Barnevik as chief executive officer.

Mr. Barnevik, who has steered the Swiss-Swedish conglomerate to considerable success in his eight years as chief executive, will stay on as chairman. The company also said it had created the post of chief financial officer, which will be filled by Renato Fassbind, ABB's auditor.

Mr. Barnevik, 55, has led ABB since it was created through the merger of Sweden's Asea AB and Switzerland's Brown Boveri in 1988.

The changes, which had been expected, completed an ABB reshuffle announced in February. At the time, ABB reorganized its parent companies' boards in a bid to streamline the organization.

"We all knew that Barnevik would step down, but as long as he remains chairman he will keep his influence, which is good," said Eric Steinhauser, an analyst at Union Bank of Switzerland. "He really is the man who made ABB into what it is today." Mr. Barnevik said he would relinquish overall management duties, including day-to-day operations.

He added that he would focus on his role of supervising the ABB board and cementing ABB's business in external matters.

He said he would "not be looking over the shoulders" of the executive committee "on every decision."

"I don't believe in combining the supervisory and executive roles," he said.

He said he expected the succession to go "smoothly," and that he had feared some "hiccups" in ABB's share price as a result of the management reshuffle. But ABB shares rose 1 franc in Zurich, to 1,557 francs ($1,243).

ABB's strategy will not change, analysts said, even as Mr. Barnevik focuses on the chairmanship, which he assumed in February when he replaced the co-chairmen Peter Wallenberg and David de Pury. Mr. Lindahl, 51, is also Swedish and is seen as a "Barnevik man."

"It will be a smooth succession, and ABB handled it well," said Thomas Pfyl, an analyst at Bank J. Vontobel & Co. "If ABB had announced a year ago that Barnevik was about to resign, there would have been a bloodbath in the market."

Mr. Lindahl is an ABB veteran and has shared the company's executive management board with Mr. Barnevik since 1988. Besides leading the power unit, he also is head of the Middle East and North Africa region. Before that, he had been the head for Asia.

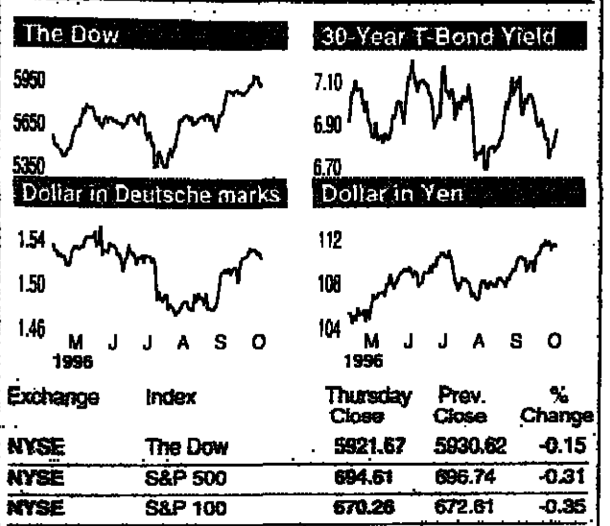
Under Mr. Barnevik's leadership, ABB has increasingly moved production to Asia and Eastern Europe in a bid to lower costs. ABB is one of the most decentralized companies in the world and consists of more than 1,300 small units worldwide.

The global approach helped woo customers in those regions. ABB this year got its biggest-ever contract, leading a group of companies that will build the Bakun Dam in Malaysia. That contract is worth more than $2.5 billion to ABB. At a news conference, Mr. Barnevik and Mr. Lindahl said the company would continue to focus on its main growth markets in Asia and Eastern Europe.

(Bloomberg, AFX)

THE AMERICAS

Investor's America



Exchange	Index	Thursday Close	Prev. Close	% Change
NYSE	The Dow	5921.67	5930.62	-0.15
NYSE	S&P 500	694.61	696.74	-0.31
NYSE	S&P 100	670.26	672.61	-0.35
NYSE	Composite	370.35	371.35	-0.27
U.S.	Nasdaq Composite	1237.22	1238.61	-0.11
AMEX	Market Value	579.99	580.10	-0.02
Toronto	TSE Index	5433.64	5436.13	-0.05
São Paulo	Bovespa	66060.60	66013.70	+0.07
Mexico City	Bolsa	3365.35	3372.80	-0.22
Buenos Aires	Merval	584.61	582.86	+0.30
Santiago	IPSA General	5560.64	5600.80	-0.72
Caracas	Capital General	6023.56	6145.05	-1.98

Source: Bloomberg, Reuters International Herald Tribune

Monsanto Studies Splitting Up

Compiled by Our Staff From Dispatches

ST. LOUIS — Monsanto Co. said Thursday that it may split into two public companies, one in chemicals and the other in food ingredients, biotechnology and agricultural products.

Monsanto said a split was one of several alternatives it was considering. The company said it also could restructure its chemical business or combine it with another chemical company or companies.

The company has been shifting its focus in recent years toward its more profitable life sciences business, which includes Nutrasweet artificial sweetener, Roundup herbicide and Daypro arthritis treatment, and away from its traditional chemical business.

"The strategies and needs of the chemical and life sciences business have become quite different," Robert Shapiro, Monsanto's chairman and chief executive, said.

"It's in the best interests of our people, our customers and our shareowners that we take appropriate steps to allow all of our businesses to reach their maximum potential."

Monsanto shares rose $1.25 to close at $41.875 on the New York Stock Exchange.

The company said it would examine all its options and make a decision as quickly as possible, but it said it did not have a specific deadline.

"We're doing this from a position of strength," said Scarlett Lee Foster, a spokeswoman. "Monsanto has had record profits for the past two years."

The company's move had been anticipated by some.

Jeffrey Spetalnick, an Oppenheimer & Co. analyst, said this month that he expected the company to spin off or sell its traditional chemical business, partly because its return on investment on a cash-flow basis was not as good as that of the other units.

Monsanto has the fourth-largest chemical business in the United States, with $3.69 billion in sales last year, or 41 percent of Monsanto's total sales. The division makes acrylic and nylon fibers, Saflex plastic used in automotive windshields, phosphorus-based chemicals and specialty chemicals.

But the chemical unit's operating income of $357 million accounted for only 29 percent of the company's $1.23 billion in operating income before corporate expenses.

Monsanto's agricultural products unit reported 1995 operating income of $523 million on sales of $2.47 billion. The company's overall revenue surpassed $9 billion last year, and its strongest performer was its agricultural group, dominated by the herbicide Roundup. *(Bloomberg, AP)*

■ Ford to Merge Operations

Ford Motor Co. plans to merge its component operations into one unit to make the company more competitive on the global market, AFX News reported from Dearborn, Michigan.

Ford will group its components operations in a new organization, to be called Automotive Products Operations, and align its senior management accordingly.

Inflation Worries Hold Stocks Down

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Thursday as interest rates rose further in the bond market after some signs of economic strength stirred lingering inflation worries.

The Dow Jones industrial average lost 8.95 points to finish at 5,921.67, extending a weeklong slide from record levels and from its first-ever move above 6,000. Declining issues led advancers by a 13-to-10 ratio on the New York Stock Exchange.

Stocks have struggled this week amid growing caution before the impending release of company earnings reports and new inflation data. With the bond market providing four straight days of rising interest rates as an excuse, investors have moved to secure profits from the stock market's recent gains.

Merck, Procter & Gamble and General Electric were among the Dow components that were hardest hit. GE fell ⅝ to 92⅛ after reporting that third-quarter net income rose in line with Wall Street expectations.

"In this market, meeting expectations tends to be a negative," said Jack Baker, managing director at Furman Selz Inc. Merck fell ¾ to 69¾, and P&G fell 1⅛ to 95⅜.

Bonds fell amid indications of strength in September's retail sales and news that first-time claims for jobless benefits fell by 22,000 last week to 319,000, the lowest level in five weeks. Although neither measure of the economy is among the most widely watched of indicators, the data served as a reminder of inflationary pressures in a still robust economy and came just before key reports on the direction of wholesale and retail prices during September.

Aetna shares fell ⅞ to 66⅞ after the insurer said it would eliminate 4,400 jobs by the end of 1998 as it integrated its health-care business with U.S. Healthcare, which Aetna acquired in July.

The September employment data had mitigated worries about inflationary pressures such as rising payroll costs, helping validate the Federal Reserve Board's recent decision not to raise interest rates to slow the economy. Higher inflation can hurt bonds by making their fixed yields less attractive, and higher interest rates can hurt stocks by slowing consumer spending.

U.S. STOCKS

As bond prices fell Thursday, the yield on the benchmark 30-year Treasury bond — a key determinant of corporate and consumer borrowing costs — rose to 6.88 percent from 6.83 percent Wednesday.

Bank shares fell as bond yields climbed. NationsBank fell ⅞ to 87½, First Union dropped ¾ to 67, and Wells Fargo slipped 1¼ to 257½.

Shares of retailers gained on expectations that sales during the year-end holidays will top expectations. Among the gainers, TJX climbed 2 to 39, J.C. Penney gained 1⅜ to 53⅞, May Department Stores leaped 1⅝ to 47⅞, Mercantile Stores rose ⅜ to 52½, and Sears was up ½ at 48¼.

The Nasdaq composite index fell 0.76 point to 1,237.22, as shares of Intel fell 1⅛ to 99¾, Microsoft slid ¾ to 133¾, and Dell Computer declined 3⅜ to 81.

Among the biggest losers were makers of sunglasses. Sunglass Hut International, a retailer, dropped 4 5/16 to 9 3/16 after saying it expected to report lower fiscal third-quarter earnings, partly because cool weather had prompted fewer consumers to buy sunglasses. *(AP, Bloomberg)*

Very briefly:

Aetna Plans to Cut 4,400 Jobs

HARTFORD, Connecticut (Bloomberg) — Aetna Inc. said Thursday it would cut its work force by 4,400 employees, or 13 percent of the total, and take charges of $307 million in the third and fourth quarters of this year.

The company will eliminate 7,500 jobs by the end of 1998 as part of integrating its health-care business with U.S. Healthcare, which it acquired in July for $8.18 billion. It will add about 3,500 jobs, for a net reduction of 4,000.

Continental to Order 60 Boeings

WASHINGTON (Bloomberg) — Continental Airlines Inc. said Thursday it would buy 60 Boeing Co. 737 jetliners to replace the oldest planes in its fleet.

The order carries a list price of $1.8 billion, though its size and a bidding contest between Boeing and McDonnell Douglas Corp. trimmed some of what Continental will pay, said Gordon Bethune, Continental's chairman and chief executive. Neither Boeing nor Continental would specify the purchase price.

The company said it had so far received commitments for $690 million in financing for the orders. CFM International, a joint venture of Snecma of France and General Electric Co. of the United States, will supply the engines for $450 million.

• **Microsoft Corp.** introduced a redesigned version of its on-line service with a lower access price and showed off new software for navigating the World Wide Web. The company will offer unlimited access to the Internet and to the Microsoft Network for a flat $19.95 monthly fee.

• **J. P. Morgan & Co.**'s third-quarter earnings fell 23 percent as a charge for subcontracting some operations offset gains from trading and investment banking. Its net income fell to $276 million from $360 million in the comparable quarter last year.

• **The Federal National Mortgage Association's** earnings rose 16 percent in the third quarter, to $690.6 million, as its investment portfolio of mortgages increased. *AP, Bloomberg*

Olin Plans Spin-Off and Asset Sales

Compiled by Our Staff From Dispatches

NORWALK, Connecticut — Olin Corp. said Thursday it would spin off its aerospace and ordnance divisions to shareholders under the name of Primex Technologies Inc. as part of a plan to increase its profit margin and strengthen its balance sheet.

The company also said it would sell its isocyanates business to Arco Chemical Co. for $565 million; look for a buyer for its Brandenburg, Kentucky, polyol, glycol and surfactants business; buy back as much as 10 percent of its common stock, and split its common stock 2-for-1.

Olin is one of the world's leading producers of chemicals, metals, microelectronic materials, sporting and military ammunition, and aerospace products.

The spin-off is intended to create two more sharply focused companies that will appeal more to investors, the company said.

The spin-off and asset sales will leave Olin with businesses including HTH swimming-pool chemicals, biocides, electronics chemicals, chlorine and caustic soda, brass and Winchester ammunition.

Shares in Olin rose $4.375 to $88.50, while Arco Chemical's shares finished unchanged at $49.125.

Olin shareholders will receive one Primex share for every 10 Olin shares after the split. The transaction is expected to be completed by the end of the year. The company said it expected a $150 million gain on the chemical asset sales, which would generate $400 million after taxes. *(Bloomberg, Reuters)*

Dollar Is Mixed as Market Awaits German Rate News

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended lower against the yen and was mixed against major European currencies Thursday in quiet trading as dealers awaited word on German interest rates and the U.S. economy.

The dollar closed at 1.5283 Deutsche marks, almost unchanged from 1.5284 DM at the close Wednesday, and at 111.275 yen, compared with 111.525 yen.

It ended at 5.1680 French francs, up from 5.1644 francs on Wednesday, and at 1.2496 Swiss francs, down slightly from 1.2530 francs. The pound was at $1.5666, compared with $1.5657.

Steve Gallagher of Societe Generale in New York said traders were awaiting the outcome of a Bundesbank rate-setting meeting Friday, along with reports on U.S. wholesale prices and retail sales for September. A Labor Department report Thursday showing a decline of 22,000 in weekly jobless claims caused a decline in bond prices but had little effect on currency trading, dealers said.

The dollar also suffered against the yen as Japanese investors, who have supported the U.S. currency recently, were absent from the market because of a holiday, traders said.

FOREIGN EXCHANGE

The dollar erased an early drop against the mark after a Bundesbank official denied that there was a rift between the central bank and Finance Minister Theo Waigel over European monetary union. The plans for monetary union include the launching of a single currency, the Euro, on Jan. 1, 1999. Signs of progress toward that goal hurt the mark because of the view that the Euro will replace it as Europe's benchmark currency.

"The denial helped push the dollar back up," said Vicki Schmelzer Alicea, a currency trader at Westdeutsche Landesbank Girozentrale.

The mark also suffered from continued speculation, despite a denial Wednesday, that President Boris Yeltsin of Russia had died. Turmoil in Russia hurts the mark because Germany is Russia's largest creditor and trading partner.

Slower economic growth in Japan and Germany mean that the dollar should maintain its interest-rate advantage over the mark and the yen, traders said.

"Interest-rate differentials make the dollar healthy," said Seth Garrett, director of foreign exchange at CS First Boston. *(AFP, Bloomberg)*

AMEX

Thursday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street.

The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	124	18⅝	18	18	—⅝
ARC	1822	4¼	4	4 1/16	—3/16
ATT Fd	138	77⅞	76⅞	77⅞	
AckCom	768	28¼	26⅜	27⅛	—1⅛
AdvFin	330	1½	1⅜	1½	
AdvMag	235	15½	14¾	15⅛	+⅛
AdvMed	111	2 13/16	2⅝	2 13/16	
AdvPhot	266	3⅛	3	3	—⅛
AirWat	1327	6⅞	6	6¼	—⅝
AHaagen	196	14⅛	14	14	
AlldRsh	160	5⅝	5½	5⅝	—⅛
Alphain	298	6⅞	6⅝	6⅞	
AlpinGr	3434	7⅝	7	7 ⅝	+⅛
AltLivng n	118	14	13⅞	13⅞	—⅛
Amdhl	2244	10⅛	9 15/16	10	—1/16
AExpl	210	12	11⅞	11⅞	—⅛
Am List	110	28⅝	28⅛	28⅝	
Ampal	137	4⅞	4¾	4⅞	+1/16
Ampex n	2423	7⅛	6⅞	7	
Andrea	872	14⅞	13⅛	14⅝	+1⅛
AngMrg	191	9	8⅞	9	+⅛
AngPor	99	2⅛	2	2⅛	
AstLiving	900	18⅛	17⅝	18	—⅜
Astrotc	105	5⅞	5⅝	5⅝	
Audvox	1467	6⅞	6⅛	6⅝	+⅜
Autotote	817	1⅛	1	1⅛	
AvlvaPet	186	4	3⅞	4	+⅛
Azco	313	1⅝	1½	1½	
B&HO	117	2⅛	2	2	—⅛
BAT Ind	148	13 15/16	13⅞	13⅞	—⅛
Balnty	241	16⅛	15⅝	16	
BT deo	95	25⅛	25⅛	25⅛	—⅛
BanyHl	84	11/16	11/16	11/16	
BayMea	772	24⅝	23⅝	24	+⅛
Bayou	185	3½	3⅜	3½	+⅛
BS MRK	103	46⅜	46⅜	46⅜	—⅛
BemaGold	1326	7⅛	7	7⅛	—1/16
BentPh	298	3⅛	3⅛	3⅛	+1/16
BioR A s	187	28⅜	28⅛	28⅛	
Biovail s	971	35⅜	34⅝	34⅞	
BlairCo	118	20⅛	20	20	—⅛
BollTch n	296	5¼	5	5⅛	+⅛
Bowmr	350	1⅜	1⅜	1⅜	+1/16
Bowne	529	23⅞	23⅛	23⅝	+⅛
Buffton	191	2⅛	2⅛	2⅛	—⅛
CE Fmk g	869	3⅛	3⅛	3⅛	—⅛
CFX Cp	89	15⅛	14⅞	15	—⅛
Cablvsn	592	37⅝	37⅛	37⅛	—⅜
Cablvs pf	151	22⅜	22⅛	22⅛	—⅛
Cablete g	87	6 9/16	6⅜	6½	—⅛
Calton	560	5/16	5/16	5/16	
CdnOc g s	1466	18	17⅝	17⅞	—⅛
ecConcTr	107	2⅛	2⅛	2⅛	
CanyonRs	5769	2 15/16	2 11/16	2 15/16	+3/16
CentennT	1471	55⅜	49	55⅜	+6⅜
CFCda g	729	4⅛	4⅛	4⅛	
ChadThr s	101	20⅛	19⅞	20	
CheySoft	10196	30⅞	30⅛	30⅛	—⅝
Chiel	275	22⅛	22	22	
Cdzinc	138	8⅝	8½	8⅝	+1/16
ColLb	890	13	12⅞	12⅞	—⅛
CmdAst	114	6⅛	6⅛	6⅛	
CmdrAs n	118	5⅛	5⅛	5⅛	+1/16
CmdrA wt	131	2⅛	1 15/16	2⅛	+1/16
CompTch	205	11⅛	10⅞	11⅛	
CmpMan n	150	15⅝	15⅛	15⅝	
Cross	271	12	11⅞	12	+⅛
Cycom	156	4⅛	4⅛	4⅛	—1/16
DI Ind	874	1 11/16	1⅝	1 11/16	—1/16
DRCA	171	4	3⅞	3⅞	—⅛
DakotalA	1422	2⅛	2	2⅛	
DaniHd	85	5⅛	5⅛	5⅛	—⅛
Datamet	990	2⅛	1 15/16	2	+1/16
Datarm	277	8⅛	7⅞	7 15/16	
Daxor	120	13⅛	13	13	—⅛
DaytonMn	1275	6⅞	6⅝	6⅝	+⅛
Decorat s	212	12	11⅞	11⅞	
DenAmer	215	4⅛	4	4⅛	
DevnE	2942	27⅛	26⅛	26⅞	+⅜
Diodes	159	7⅛	6⅞	7	+⅛
DolAutEx	368	39⅛	38⅛	39⅛	+⅛
DrvCal	256	1⅛	1	1	
DrylMu	220	9	9	9	+1/16
Ducom	1727	19⅝	18	18⅝	—⅛
EchoBay	4138	8⅞	8⅝	8⅞	+1/16
Edisto	149	10	9⅞	9⅞	—⅛
Edtek	396	⅞	⅞	⅞	
ElPasoE n	778	5⅛	5	5	—⅛
Emerit n	354	12	11⅝	11⅞	—⅛
EmerR	371	3⅛	3⅛	3⅛	—⅛
EnzoBi	272	17⅛	17⅛	17⅛	—⅛
Eotope	535	14⅛	13⅞	13⅞	—⅛
Esquslt	101	16⅛	15⅞	16⅛	—⅛
FarmT un	122	5⅛	5⅛	5⅛	—⅛
FemHlth	274	6⅛	6⅛	6⅛	—⅛
Fibrbd	202	33⅛	33⅛	33⅛	—⅛
FinFd s	810	15	15	15	
FfAust	128	8⅛	8⅛	8⅛	—⅛
FAusPr	7319	8⅛	8⅛	8⅛	—1/16
Flber	114	9	8⅞	9	
FlgRck	87	30⅛	30⅛	30⅛	—⅛
ForstLb	1939	38⅛	38	38⅛	—⅛
FortPet	760	2⅛	2⅛	2⅛	
FrnkSel	127	4⅛	4⅛	4⅛	—⅛
FreqEl	185	9⅛	8⅞	9	—⅛
Fredm	120	5⅞	5⅞	5⅞	—⅛
GA FnclIn	287	13⅛	13	13⅛	
GST Tele	1496	11⅛	10⅞	11⅛	—⅛
GayCn	2767	2⅛	[illegible]	[illegible]	[illegible]
GelmSci	4179	29	26	29	+3
GnAuto	387	[illegible]	[illegible]	[illegible]	[illegible]
GnEmp	70	11	[illegible]	11	[illegible]
GenKinet	380	[illegible]	[illegible]	[illegible]	[illegible]
GenvDr	87	14⅛	14	14⅛	[illegible]
GelmSci	773	46⅛	45⅛	46	[illegible]
Giant	190	18	[illegible]	18	[illegible]
Globlink	334	[illegible]	[illegible]	[illegible]	[illegible]
GldStarR	2391	20	17⅛	19⅛	+2
GldFld	376	[illegible]	[illegible]	[illegible]	[illegible]
Grang g	194	[illegible]	[illegible]	[illegible]	[illegible]
GrnSKCa	130	[illegible]	[illegible]	[illegible]	[illegible]
GreyLne	2247	[illegible]	[illegible]	[illegible]	[illegible]
GrdGam	337	[illegible]	[illegible]	[illegible]	[illegible]
ecHalmF	130	[illegible]	[illegible]	[illegible]	[illegible]
Hahsey	470	[illegible]	[illegible]	[illegible]	[illegible]
HalterM n	568	[illegible]	[illegible]	[illegible]	[illegible]
HangOr	122	[illegible]	[illegible]	[illegible]	[illegible]
HanvDir	412	[illegible]	[illegible]	[illegible]	[illegible]
Hsn wtB	2562	[illegible]	[illegible]	[illegible]	[illegible]
Harken	4086	2⅝	[illegible]	[illegible]	[illegible]
Hasbro	2510	39	38⅛	38⅛	[illegible]
HawAir	542	[illegible]	[illegible]	[illegible]	[illegible]
Hearxn	2537	[illegible]	[illegible]	[illegible]	[illegible]
HooPnl	144	15⅛	15⅛	15⅛	[illegible]
ICG Com	1168	20	19⅛	19⅛	[illegible]
Identix	558	10	[illegible]	[illegible]	[illegible]
ImpCh n	256	21	20⅛	21	[illegible]
ImpOil g	313	43	42⅛	43⅛	[illegible]
IncMkt	189	12	11⅛	11⅛	[illegible]
IntegTc n	993	4	[illegible]	[illegible]	[illegible]
IntegTc wt	1310	[illegible]	[illegible]	[illegible]	[illegible]
IntlgSys	93	2	[illegible]	2	[illegible]
InCIPd	136	[illegible]	[illegible]	[illegible]	[illegible]
InterDig	1734	7	[illegible]	7	[illegible]
ecIntrline	219	[illegible]	[illegible]	[illegible]	[illegible]
Intmagn	380	13⅛	13⅛	13⅛	[illegible]
IRIS	163	[illegible]	6⅛	6⅛	—⅛
IonLaser	514	11½	11	11	—½
IvaxCo	3916	15½	15¼	15¼	—¼
JTS Corp	1909	4⅛	3¾	4	—⅛
JanBell	321	2⅝	2⅝	2⅝	
Joneint	100	12¾	12¾	12¾	—⅛
Joule	113	4⅝	4⅝	4⅝	—⅛
KBK Cap	178	4⅞	4⅝	4⅞	—⅛
KFX Inc	331	7⅜	7	7	—⅛
KV Ph A	181	12⅜	12¼	12⅜	+⅛
KatzM	329	9⅜	9⅛	9⅜	—⅛
Keane	587	46½	45⅜	46⅛	—⅜
Kirby	90	17⅜	17⅜	17⅜	
KlearVu	120	1⅜	1¼	1⅜	—⅛
KnogNA	891	9⅞	8⅞	8⅞	—⅞
KogrEq	94	15⅛	15⅛	15⅛	—⅛
LXRBiot	84	2⅝	2⅝	2⅝	
LaBarg	255	6⅞	6⅞	6⅞	—⅛
MC Shp	165	3⅝	3⅝	3⅝	—⅛
MDC g s	88	9⅜	9⅜	9⅜	—⅛
Magellan	757	20¼	19⅞	20	+⅛
MagnPet	1592	5⅛	5	5⅛	
Maxam	218	39⅞	37½	39⅝	+2⅛
MedcR	83	9⅝	9⅝	9⅝	
Media	439	32⅞	31⅞	32	+⅛
MedaLog	143	5	4⅞	5	+1/16
MLRusRewt	120	3⅛	3⅛	3⅛	+3/16
Metramda	715	11⅛	10⅞	11	
MidalRty	121	9⅝	9⅝	9⅝	—1/16
MMed	218	10¼	10	10⅛	—⅛
MS IGT	146	21¼	21⅛	21⅛	—⅛
MntasleE	483	2⅜	2¼	2⅜	—⅛
MumMtg n	304	14⅝	14⅜	14⅝	+⅛
MunvsI	792	9⅛	9	9⅛	—⅛
Myersind	133	14⅞	14⅝	14⅝	+⅛
NTNCom	388	5⅞	4⅞	4⅞	+⅛
Nabors	3095	15⅝	15⅜	15⅜	—⅛
NY Times	1341	29⅝	28⅞	28⅞	—⅝
NA Vacc	271	25⅝	25	25⅝	—⅛
Novavx n	124	4⅜	3⅞	4	—⅛
OSullvnC	85	11⅝	11½	11⅝	+⅛
OmniMult	1352	2⅝	2⅜	2⅝	
Oncor	750	4⅛	4	4⅛	
Oncormd	286	4⅞	4⅝	4⅝	
Orgngn	887	19⅜	19	19⅜	+⅛
PC Quote	212	4⅜	4¼	4⅜	—⅛
PGECap pf	84	24⅝	24⅝	24⅝	—⅛
PLC Sys	1749	25⅝	23⅞	24⅜	-1½
PanAmC n	442	9⅞	9⅜	9⅞	+⅛
PaxsnC	1776	9⅛	8⅞	9	+1/16
PegGld	1745	10⅝	10⅜	10½	
PenRE	100	23	22⅞	22⅞	—⅛
PhxNet	447	4⅝	4⅛	4⅛	—⅛
PinRsc	643	13⅛	13	13	—⅛
Polyph	832	6⅛	5⅞	5⅞	—1/16
PrpdLg	788	13⅛	13	13⅛	
PrcCm	83	8⅛	8	8	—⅛
Pricell s	523	14⅝	14⅜	14⅜	
ProActiv n	173	2⅛	2	2	-⅛
PropCT	116	9⅛	9	9⅛	—1/16
PsycCp	691	6⅛	6	6⅛	—⅛
ecPyrocp	120	9⅛	[illegible]	9⅛	+⅛
RF Pow	103	2⅞	2⅝	2⅝	—⅛
RegGold	168	2	1 15/16	2	
RegalBel	958	17⅛	16⅝	17⅛	+⅛
Riviera n	84	15⅝	15⅛	15⅝	
Rotonic	127	1⅛	1⅛	1⅛	+1/16
RoyalO g	1693	3⅝	3⅜	3⅝	+1/16
SC Bco	147	7⅞	7⅞	7⅞	+⅛
SaboPet	85	19⅜	19	19⅜	+⅛
SalMSFT	202	110	109⅛	109⅝	—⅛
SBYen wt98	119	4⅛	4	4⅛	—⅛
Schelb	137	7⅛	7⅛	7⅛	
Selfcare n	196	16⅛	16	16⅛	+⅛
Service	229	16⅞	16⅝	16⅞	+⅛
ShefldMd	125	3⅞	3⅝	3⅝	—⅛
SoniTech	138	7⅝	7⅝	7⅝	—⅛
SmthAOA	82	24⅞	24⅞	24⅞	—⅛
ecSolgen	132	1⅛	1⅛	1⅛	
SportsClb	181	3⅛	3	3	
SPDR	15488	69 23/32	69⅛	69 21/32	—3/32
Stephan	244	11⅛	10⅞	10⅞	—⅛
SteviniA	880	2⅜	2⅛	2⅛	—⅛
Sulcus	762	2⅛	2⅛	2⅛	+1/16
SumiT	310	10⅞	10⅝	10⅝	
SunNur	154	1⅛	1⅛	1⅛	—⅛
SurevyC	89	4⅛	4	4⅛	—⅛
TPC Co	373	8⅞	8⅝	8⅞	—⅛
TabPrd	399	7⅛	7	7⅛	—⅛
Technutri	221	30⅛	29⅞	30⅛	—⅛
TelDta	4527	39⅛	38⅛	38⅝	—⅛
Tenera	96	1⅛	1⅛	1⅛	
TexBiotch	2634	4⅛	3⅞	4⅛	+⅛
TexBi wt	129	1⅛	1⅛	1⅛	+1/16
TexMer	2552	16	15⅛	16	
Thrmed	315	22⅞	22⅝	22⅞	+⅛
ThmBio n	599	13⅞	13⅝	13⅞	—⅛
ThCar s	149	36	35⅝	35⅞	
ThrFib un	175	12⅛	12⅛	12⅛	—⅛
ThmFib s	542	12⅛	12⅛	12⅛	—⅛
Thrmsl	708	36⅛	36	36	—⅛
ThrSard n	156	11⅛	10⅞	11⅛	
ThrSpect	210	13⅛	12⅞	12⅞	—⅛
ThrVoll s	195	13⅛	13	13	
Thrmolse	224	24⅛	23⅞	23⅞	+⅛
Thrmst n	82	15⅛	14⅞	15⅛	—⅛
Thrmotx	152	40	39⅛	39⅞	—⅛
Tipperry	128	3⅛	3	3⅛	—⅛
TopSrce	551	4⅛	4⅛	4⅛	
TownCty	506	1⅛	1⅛	1⅛	
TWA wt	549	5⅛	5⅛	5⅛	—⅛
TWA	3177	8⅛	8⅛	8⅛	—⅛
Trnstech	185	3⅛	3	3⅛	
Triton	233	[illegible]	[illegible]	[illegible]	
TubMex	454	11⅛	11⅛	11⅛	
TurnB A	554	31⅛	30⅛	31⅛	[illegible]
TurnB B	3068	31⅛	30⅛	31⅛	[illegible]
US Alc	768	2⅛	2⅛	2⅛	[illegible]
UTI Eng	185	12⅛	11⅛	11⅛	[illegible]
Unapix	95	[illegible]	[illegible]	[illegible]	[illegible]
Unex wtB	135	[illegible]	[illegible]	[illegible]	[illegible]
Undfer	84	12⅛	12⅛	12⅛	[illegible]
Unidob	163	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	118	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci s	1198	12	11⅛	11⅛	[illegible]
US Cell	828	29⅛	[illegible]	29⅛	[illegible]
Unitel	105	[illegible]	6⅞	6⅞	[illegible]
Urohlth s	197	12⅛	12⅛	12⅛	[illegible]
UKAdsM	253	11⅛	11⅛	11⅛	[illegible]
ViFCal	31	[illegible]	[illegible]	[illegible]	[illegible]
ViFLO	123	12⅛	12⅛	12⅛	[illegible]
ViNTV	136	11⅛	11⅛	11⅛	[illegible]
Viacom	526	36⅛	36⅛	36⅛	[illegible]
ViacB	3607	37	36⅛	36⅛	—⅛
Viac wtC	95	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	380	[illegible]	[illegible]	[illegible]	[illegible]
Viragnc	205	[illegible]	[illegible]	[illegible]	[illegible]
VayFla	120	12⅛	12⅛	12⅛	[illegible]
WRIT	372	15⅛	15⅛	15⅛	[illegible]
WhitmE s	198	7⅛	7⅛	7⅛	[illegible]
WirelssT s	2704	[illegible]	10	10⅛	[illegible]
ecWizTch	218	[illegible]	[illegible]	[illegible]	[illegible]
WEBAu n	1127	10⅛	[illegible]	10⅛	[illegible]
WEBCan n	660	11⅛	11⅛	11⅛	[illegible]
WEBFra n	280	13⅛	13⅛	13⅛	[illegible]
WEBGer n	172	13⅛	13⅛	13⅛	[illegible]
WEB Ita n	213	14⅛	14⅛	14⅛	[illegible]
WEB Jap n	1057	14⅛	14⅛	14⅛	[illegible]
WEB Mex n	463	12⅛	11⅛	11⅛	[illegible]
WEB Net n	210	18	18	18	[illegible]
WEB Sing n	175	11⅛	10⅛	11⅛	[illegible]
XCL Ltd	6528	⅛	[illegible]	⅛	
Zanart wt	96	[illegible]	4	[illegible]	[illegible]
Zanart	273	10⅛	7⅛	10⅛	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5914.22	5930.99	5904.90	5921.67	—8.95
Trans	2043.92	2068.18	2037.07	2058.48	+8.85
Util	220.23	221.21	219.46	220.16	—1.33
Comp	1858.91	1867.57	1854.86	1863.88	—0.85

Standard & Poors

	High	Low	Close	Chg.
Industrials	823.84	819.47	820.82	—2.06
Transp.	507.91	502.15	505.93	—0.43
Utilities	192.01	190.74	190.99	—1.02
Finance	74.05	73.50	73.62	—0.43
SP 500	696.82	693.34	694.61	—2.13
SP 100	672.92	669.39	670.26	—2.35

NYSE

	High	Low	Last	Chg.
Composite	371.35	369.92	370.35	—1.00
Industrials	471.78	470.03	470.55	—0.93
Transp.	327.57	324.55	326.50	—0.06
Utility	248.58	247.02	247.40	—1.18
Finance	321.90	320.01	320.41	—1.49

Nasdaq

	High	Low	Last	Chg.
Composite	1242.86	1234.56	1237.22	—0.76
Industrials	1107.37	1102.15	1103.02	—2.68
Banks	1171.99	1168.58	1168.58	—0.89
Insurance	1355.62	1346.58	1349.27	—5.68
Finance	1459.17	1453.93	1459.17	-2.31
Transp.	833.76	830.72	833.62	—0.66

AMEX

	High	Low	Last	Chg.
	580.74	578.79	579.99	—0.11

Dow Jones Bond

	Close	Chg.
20 Bonds	102.24	— 0.27
10 Utilities	99.24	— 0.26
10 Industrials	105.25	— 0.27

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Gulfstrm n	116422	26	24¾	25¾	—
TimeWa	47951	42⅛	41⅛	41⅛	+⅛
AT&T s	47927	39⅛	38⅝	38⅝	—⅝
MicmT	44814	32¾	31⅛	31⅛	—1¾
Lucent n	44323	48⅛	46⅝	47⅞	+⅛
LSI Log	40781	26⅛	25⅛	25⅛	—⅛
Oakley	38987	41⅛	36⅛	37⅛	—7⅞
EEIChile	38771	19⅛	19½	19½	—
BostEd	37736	22⅛	22⅛	22⅛	—
Motorola	36797	49⅛	48	48⅝	—⅞
Compaq	34852	70⅛	67⅛	68⅞	+⅛
AirTouch	30933	26⅛	25⅛	26⅛	+¼
HrtaMda s	29957	15⅝	14⅝	15	—⅝
PepsiCo s	29729	28⅛	28¼	28⅝	+⅛
Gap s	29710	28⅛	27⅛	28⅛	+1½

Nasdaq

	Vol.	High	Low	Last	Chg.
Sunglss s	162654	10½	8⅝	9 3/16	—4 5/16
Atmel	146097	32½	30	30 3/16	—3 15/16
MarinerH	105812	8¼	6⅛	7⅛	—5 11/16
TeleComA	86164	13 11/16	13⅛	13⅝	—⅛
Intel	83847	101⅝	99⅛	99¾	—1
Altera	74772	60⅝	56⅝	60	+6⅛
DSC	60817	16⅛	15½	16 9/16	+1⅝
ReadRt	49245	20⅛	18⅝	19⅝	+1⅛
Cirrus	48895	23⅛	21⅛	23⅛	+1⅛
Trustinf n	45833	17⅝	15	17⅛	—
ApldMat	45592	29⅛	28½	29⅛	+⅛
SunMic s	43692	67⅛	64⅝	66	+½
Netcor s	41852	19	17½	18½	—1⅛
Cisco s	41546	66	64½	65	+⅛
WorldCm s	39752	21⅛	21⅛	21⅛	—

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	15488	69 23/32	69⅛	69 21/32	—3/32
CheySoft	10196	30⅞	30⅛	30⅛	—⅝
XCL Ltd	6528	⅛	3/16	⅛	—
CanyonRs	5769	2 15/16	2 11/16	2 15/16	+3/16
TelDta	4527	39½	38⅛	38⅝	—⅛
GelmSci	4179	29	26	29	+3
EchoBay	4138	8⅞	8⅝	8 15/16	+1/16
Harken	4086	2⅝	2½	2 9/16	—
IvaxCo	3916	15½	15¼	15¼	—¼
ViacB	3607	37	36⅜	36⅜	—⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1093	878
Declined	1265	1470
Unchanged	884	902
Total issues	3242	3250
New Highs	85	80
New Lows	32	33

AMEX

	Close	Prev.
Advanced	256	237
Declined	256	291
Unchanged	222	217
Total issues	734	745
New Highs	21	24
New Lows	10	13

Nasdaq

	Close	Prev.
Advanced	1891	1795
Declined	1928	2117
Unchanged	1842	1745
Total issues	5661	5657
New Highs	129	152
New Lows	96	74

Market Sales

	Today Close	Prev. cons.
NYSE	394.95	500.25
Amex	18.29	24.37
Nasdaq	541.53	566.24

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Anglo Am Gld	b	.23	11-1	11-23
Coles Myer Ltd	b	.6405	10-22	12-3
Equity Inco AT&T	-	.218	10-15	11-1
STOCK SPLIT				
ITT Educational 3 for 2 split.				
REVERSE STOCK SPLIT				
Man Sang Holdings 1 for 4 reverse split.				
Standish Care 1 for 5 reverse split.				
INCREASED				
BetzDearborn	Q	.375	10-24	11-7
Center Banks	Q	.10	10-29	11-12
Kaneb Pipe Ln	Q	.60	10-28	11-14
REGULAR				
APL Ltd	Q	.10	11-15	11-30
Alico Inc	A	.15	10-25	11-8
Carbo Ceramics	Q	.075	10-19	10-31
Colgate Palmolive	Q	.42	11-26	12-10
Dean Foods	Q	.19	11-15	12-13
EnergyNorth	Q	.305	11-29	12-13
FCNB Corp	Q	.14	10-18	10-31
FFLC Bancorp	Q	.10	10-21	11-4
Ford Motor	Q	.385	11-1	12-2
German Amer	Q	.21	10-19	10-31
Giant Food	Q	.19	11-1	11-29
Green St Fin	Q	.10	10-11	10-25
Heritage US Gv	M	.087	10-18	10-24
Hillenbrand Ind	Q	.155	10-25	11-29
Independence Sq	M	.115	10-23	10-31
Merchants Bncp	Q	.14	10-15	10-31
Metro Gas SA B	b	.33	10-31	—
Movado Grp	Q	.03	10-18	10-31
Nth Side Svgs	Q	.25	10-24	11-15
Procter Gamble	Q	.45	10-18	11-15
Prospect St Hi	M	.035	10-24	10-31
Pug S P&L cdjofB	-	.3637	10-21	11-15
Riggs Natl	-	.05	10-23	11-1
Roadway Express	-	.05	11-15	12-2
Schulman A	Q	.095	10-28	11-6
Sthwst Energy	Q	.06	10-21	11-5
Sun Co	Q	.25	11-8	12-10
SuperValu Inc	Q	.25	12-2	12-15
Vulcan Materials	Q	.42	11-26	12-10

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Oct. 10, 1996

	High	Low	Close	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	2.94	2.89½	2.90	—0.03¼	165,950
Mar 97	3.00½	2.96¼	2.96¾	—0.04	73,127
May 97	3.06	3.01½	3.01¾	—0.04½	33,223
Jul 97	3.09½	3.05¼	3.05¼	—0.04½	26,708
Sep 97	2.93½	2.90	2.90¼	—0.03¼	3,069
Est. sales N.A. Wed's. sales 40,125					
Wed's open int 320,968 up 558					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 96	251.40	247.00	248.70	—0.10	5,733
Dec 96	245.30	243.00	243.50	—1.70	45,560
Jan 97	243.60	240.80	241.00	—2.60	10,424
Mar 97	241.10	238.00	238.40	—2.70	14,176
May 97	238.10	234.50	235.20	—2.90	8,407
Jul 97	237.00	234.00	234.20	—3.00	3,562
Est. sales N.A. Wed's. sales 13,493					
Wed's open int 89,769 up 124					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Oct 96	23.60	23.21	23.30	—0.25	1,300
Dec 96	23.95	23.52	23.60	—0.28	52,152
Jan 97	24.18	23.80	23.89	—0.26	14,047
Mar 97	24.53	24.13	24.25	—0.24	14,704
May 97	24.70	24.42	24.56	—0.22	7,620
Jul 97	25.00	24.69	24.86	—0.22	2,168
Est. sales N.A. Wed's. sales 11,919					
Wed's open int 94,540 up 1231					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Nov 96	7.38¼	7.29½	7.30¼	—0.08	92,743
Jan 97	7.46¼	7.36	7.38	—0.07½	34,558
Mar 97	7.52½	7.43	7.43½	—0.09¼	21,324
May 97	7.54	7.44	7.45	—0.09	13,927
Jul 97	7.54½	7.45	7.45¾	—0.09¼	11,400
Est. sales N.A. Wed's. sales 31,195					
Wed's open int 181,259 off 893					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	4.28½	4.27½	4.24	—0.03	42,297
Mar 97	4.16½	4.12	4.13¾	—0.02	15,648
May 97	3.96½	3.93	3.94½	—0.01	1,568
Jul 97	3.78	3.73½	3.75	—0.02	7,366
Est. sales N.A. Wed's. sales 11,787					
Wed's open int 67,314 up 106					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb					
Oct 96	71.80	70.95	71.27	—0.15	13,417
Dec 96	66.05	65.47	65.72	+0.10	37,054
Feb 97	64.15	63.62	63.82	—0.08	18,327
Apr 97	65.87	65.50	65.67	—0.15	9,314
Jun 97	63.67	63.15	63.47	—0.10	4,444
Aug 97	63.42	63.17	63.17	—0.18	4,445
Est. sales 19,565 Wed's. sales 23,520					
Wed's open int 88,947 off 1640					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Oct 96	63.45	62.90	63.35	+0.18	4,495
Nov 96	64.00	63.25	63.95	+0.28	3,371
Jan 97	64.75	64.20	64.65	+0.03	2,697
Mar 97	64.22	63.87	64.12		1,424
Apr 97	64.70	64.28	64.65	+0.10	925
May 97	65.10	64.75	64.97	+0.07	1,168
Est. sales N.A. Wed's. sales 4,676					
Wed's open int 14,564 up 259					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Oct 96	60.15	59.15	59.42	—0.45	3,882
Dec 96	57.65	56.55	56.70	—0.80	18,988
Feb 97	78.52	77.70	77.90	—0.60	7,196
Apr 97	74.20	73.55	73.75	—0.25	2,978
Jun 97	77.80	77.40	77.65	—0.17	3,051
Jul 97	75.20	74.70	75.10	—0.05	688
Est. sales 7,708 Wed's. sales 10,523					
Wed's open int 37,635 up 91					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.85	76.85	77.50	—1.02	5,497
Mar 97	78.70	77.07	77.50	—0.45	885
May 97	79.80	78.30	79.25	—0.55	318
Jul 97	79.95	78.40	79.47	—0.50	175
Aug 97			77.80		28
Est. sales 1,788 Wed's. sales 2,411					
Wed's open int 6,903 up 193					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 96	1405	1383	1402	+17	28,965
Mar 97	1432	1413	1430	+16	20,210
May 97	1445	1436	1445	+13	8,297
Jul 97	1460	1455	1460	+15	6,235
Sep 97	1475	1469	1475	+15	5,608
Est. sales 11,917 Wed's. sales 6,590					
Wed's open int 79,086 up 272					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 96	115.40	112.80	114.90	+1.35	15,231
Mar 97	107.40	104.80	106.80	+0.95	6,853
May 97	106.60	104.50	106.25	+1.10	2,461
Jul 97	106.00	105.00	106.00	+0.75	776
Est. sales N.A. Wed's. sales 10,235					
Wed's open int 25,958 up 974					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Mar 97	10.89	10.69	10.88	+0.10	85,678
May 97	10.84	10.70	10.84	+0.06	25,448
Jul 97	10.74	10.64	10.73	+0.05	16,965
Oct 97	10.74	10.62	10.73	+0.09	10,494
Est. sales 19,228 Wed's. sales 12,380					
Wed's open int 142,588 up 894					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 96	112.90	111.20	112.20	—1.00	6,499
Jan 97	107.20	105.55	106.15	—1.40	6,249
Mar 97	108.80	107.60	108.00	—1.40	2,876
May 97	110.00	109.50	109.85	—1.50	639
Est. sales N.A. Wed's. sales 1,377					
Wed's open int 17,100 off 18					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Oct 96	381.40	381.30	382.20	+1.00	26
Dec 96	385.30	383.90	384.50	+1.00	110,730
Feb 97	387.30	386.00	386.80	+1.00	15,633
Apr 97	389.30	388.40	389.10	+1.00	10,735
Jun 97	392.00	390.80	392.00	+1.50	11,057
Oct 97			396.50	+1.10	454
Dec 97	399.50	398.00	399.10	+1.10	10,258
Feb 98			401.80	+1.10	580
Est. sales 25,000 Wed's. sales 29,211					
Wed's open int 194,208 up 365					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Oct 96	93.40	91.60	93.20	+1.60	3,779
Nov 96	92.80	91.00	92.75	+1.95	2,038
Dec 96	92.40	90.20	92.10	+1.75	25,296
Jan 97			91.85	+1.75	1,336
Feb 97	91.25	91.25	91.45	+1.70	927
Mar 97	91.20	89.10	91.00	+1.65	9,369
Apr 97	89.50	89.20	90.40	+1.45	515
May 97	90.10	88.40	90.10	+1.50	3,049
Jun 97	88.40	88.40	89.70	+1.50	692
Est. sales 9,000 Wed's. sales 9,367					
Wed's open int 57,752 off 273					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Oct 96	495.5	495.0	495.5	+2.1	20
Nov 96			503.4	+8.7	10
Dec 96	509.5	495.5	506.0	+8.7	68,449
Jan 97	500.5	500.5	508.2	+8.7	27
Mar 97	517.0	503.0	513.3	+8.8	10,699
May 97	519.5	515.0	518.1	+8.9	6,415
Jul 97	525.0	518.0	522.9	+9.0	4,966
Sep 97			527.8	+9.1	3,075
Est. sales 27,000 Wed's. sales 24,172					
Wed's open int 97,727 up 83					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 96	391.50	390.50	390.40	+1.10	111
Jan 97	393.40	391.50	391.90	+0.90	20,277
Apr 97	396.00	395.00	394.60	+0.90	7,333
Oct 97			401.10	+0.90	27
Est. sales N.A. Wed's. sales 2,893					
Wed's open int 28,669 up 98					

LONDON METALS (LME) Dollars per metric ton

			Close		Previous
Aluminum (High Grade)					
Spot	1300.00	1301.00		1286½	1287½
Forward	1332.00	1333.00		1320.00	1321.00
Copper Cathodes (High Grade)					
Spot	1973.00	1975.00		1933.00	1934.00
Forward	1957.00	1958.00		1924.00	1925.00
Lead					
Spot	768.00	769.00		765.00	767.00
Forward	767.00	768.00		765.00	766.00
Nickel					
Spot	7085.00	7095.00		6980.00	6990.00
Forward	7195.00	7205.00		7090.00	7100.00
Tin					
Spot	6020.00	6030.00		5985.00	5995.00
Forward	6075.00	6080.00		6040.00	6050.00
Zinc (Special High Grade)					
Spot	1007½	1008½		1006.00	1007.00
Forward	1033.00	1033½		1032.00	1033.00

	High	Low	Close	Chge	OpInt
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Dec 96	94.88	94.85	94.87	—0.03	4,281
Mar 97	94.78	94.72	94.72	—0.05	1,624
Jun 97	94.58	94.54	94.54	—0.08	875
Est. sales N.A. Wed's. sales 334					
Wed's open int 6,780 up 42					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	106-10	105-305	106-015	— 065	136,257
Mar 97			105-22	— 065	1,367
Jun 97			105-12	— 065	
Est. sales 36,500 Wed's. sales 28,113					
Wed's open int 137,619 off 433					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	108-09	107-22	107-27	— 11	278,321
Mar 97	107-26	107-16	107-18	— 11	6,263
Jun 97			107-02	— 11	315
Est. sales 60,000 Wed's. sales 65,760					
Wed's open int 284,399 up 7887					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 96	110-23	109-26	110-01	— 17	391,812
Mar 97	110-06	109-11	109-18	— 17	25,085
Jun 97	109-15	109-01	109-02	— 17	5,798
Sep 97			108-19	— 18	1,818
Est. sales 325,000 Wed's. sales 361,239					
Wed's open int 424,007 up 714					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 96	111-02	110-03	110-11	— 0-24	166,487
Mar 97	109-21	109-21	109-15	— 0-24	2,129
Est. sales: 96,757. Prev. sales: 119,128					
Prev. open int.: 168,816 up 1,350					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 96	99.73	99.25	99.45	— 0.23	257,298
Mar 97	98.56	98.32	98.47	— 0.23	9,461
Est. sales: 205,210. Prev. sales: 215,657					
Prev. open int.: 266,759 up 4,052					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	126.60	126.18	126.42	— 0.12	184,360
Mar 97	126.60	126.24	126.44	— 0.14	33,518
Jun 97	125.42	125.16	125.34	— 0.16	3,844
Est. volume: 207,254. Open int.: 221,722 off 15,015.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 96	123.78	123.20	123.51	— 0.14	81,988
Mar 97	N.T.	N.T.	122.75	— 0.15	1,503
Est. sales: 56,224. Prev. sales: 81,149					
Prev. open int.: 83,491 off 14					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Oct 96	94.450	94.430	94.430	—20	32,390
Nov 96	94.450	94.360	94.360	—30	9,868
Dec 96	94.350	94.300	94.310	—40	489,390
Mar 97	94.260	94.180	94.200	—50	378,432
Jun 97	94.110	94.020	94.040	—60	272,249
Mar 00	93.130	93.070	93.080	—50	39,979
Jun 00	93.060	93.000	93.010	—50	35,216
Sep 00	93.010	92.950	92.960	—50	28,821
Est. sales N.A. Wed's. sales 326,695					
Wed's open int 2,373,339 up 11980					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 96	1.5668	1.5622	1.5652	+12	44,673
Mar 97	1.5660	1.5630	1.5646	+12	93
Jun 97			1.5640	+12	2
Est. sales N.A. Wed's. sales 3,324					
Wed's open int 44,768 up 199					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 96	.7437	.7416	.7427	+15	62,321
Mar 97	.7462	.7463	.7466	+19	1,899
Jun 97	.7495	.7495	.7493	+19	689
Sep 97			.7521	+21	138
Est. sales N.A. Wed's. sales 5,893					
Wed's open int 65,084 up 338					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 96	.6580	.6552	.6570		66,724
Mar 97	.6614	.6608	.6612		1,695
Jun 97			.6654	+1	2,147
Est. sales N.A. Wed's. sales 14,754					
Wed's open int 70,566 off 1251					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 96	.009082	.009044	.009075	+34	74,155
Mar 97	.009195	.009186	.009194	+36	1,883
Jun 97	.009310	.009300	.009315	+40	199
Est. sales N.A. Wed's. sales 8,344					
Wed's open int 76,241 off 537					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 96	.8065	.8033	.8057	+25	44,568
Mar 97	.8144	.8116	.8138	+26	1,695
Jun 97			.8195		607
Est. sales N.A. Wed's. sales 14,025					
Wed's open int 46,870 off 1033					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Dec 96	96.88	96.85	96.86	— 0.01	211,279
Mar 97	96.87	96.82	96.84	— 0.01	209,951
Jun 97	96.78	96.72	96.74	— 0.02	161,779
Sep 97	96.62	96.55	96.58	— 0.02	140,266
Dec 97	96.38	96.31	96.34	— 0.02	109,578
Mar 98	96.10	96.03	96.07	— 0.01	75,163
Jun 98	95.79	95.73	95.75	— 0.02	54,521
Sep 98	95.47	95.41	95.43	— 0.02	39,392
Dec 98	95.15	95.08	95.11	— 0.01	30,458
Mar 99	94.84	94.78	94.81	— 0.02	26,875
Jun 99	94.55	94.51	94.52	— 0.02	14,082
Sep 99	94.26	94.22	94.23	— 0.02	9,100
Est. sales: 148,902. Prev. sales: 196,886					
Prev. open int.: 1,082,444 off 4,083					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 96	94.05	93.96	93.98	— 0.07	107,333
Mar 97	93.91	93.75	93.80	— 0.12	77,235
Jun 97	93.71	93.51	93.57	— 0.16	74,660
Sep 97	93.50	93.28	93.35	— 0.16	44,102
Dec 97	93.29	93.08	93.15	— 0.16	33,567
Mar 98	93.12	92.93	92.99	— 0.15	24,714
Jun 98	93.00	92.82	92.89	— 0.13	18,997
Sep 98	92.88	92.78	92.80	— 0.11	13,622
Dec 98	92.82	92.68	92.73	— 0.09	12,960
Mar 99	92.70	92.63	92.65	— 0.08	6,381
Jun 99	92.64	92.54	92.57	— 0.06	3,882
Sep 99	92.55	92.46	92.49	— 0.05	3,567
Est. sales: 177,597. Prev. sales: 48,868					
Prev. open int.: 482,020 up 1,843					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 96	96.43	96.37	96.38	— 0.05	69,136
Mar 97	96.42	96.35	96.37	— 0.06	40,133
Jun 97	96.41	96.34	96.35	— 0.07	27,306
Sep 97	96.34	96.29	96.29	— 0.07	13,928
Dec 97	96.22	96.17	96.17	— 0.06	11,524
Mar 98	96.03	95.98	95.99	— 0.05	9,079
Jun 98	95.79	95.75	95.75	— 0.05	7,188
Sep 98	95.51	95.46	95.47	— 0.05	5,938
Dec 98	95.22	95.17	95.18	— 0.05	7,160
Mar 99	94.91	94.89	94.91	— 0.04	8,297
Jun 99	94.62	94.61	94.62	— 0.04	2,460
Sep 99	94.34	94.31	94.34	— 0.03	613
Est. volume: 61,712. Open int.: 202,762 off 6,066.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 96	92.39	92.31	92.37	Unch.	65,920
Mar 97	92.97	92.88	92.96	— 0.01	43,857
Jun 97	93.29	93.21	93.26	— 0.04	31,413
Sep 97	93.39	93.31	93.36	— 0.04	23,139
Dec 97	93.36	93.30	93.34	— 0.02	8,625
Mar 98	93.29	93.21	93.27	— 0.01	5,689
Est. sales: 40,236. Prev. sales: 36,318					
Prev. open int.: 178,813 up 1,422					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 96	76.40	75.16	75.40	—0.83	30,395
Mar 97	77.25	76.40	76.65	—0.78	10,859

	High	Low	Close	Chge	OpInt
May 97	77.80	77.10	77.30	—0.80	6,449
Jul 97	78.35	77.80	77.80	—0.60	4,877
Oct 97	78.10	77.60	77.70	—0.48	1,822
Dec 97	77.45	77.15	77.15	—0.40	4,808
Est. sales N.A. Wed's. sales 6,044					
Wed's open int 58,050 off 645					
HEATING OIL (NMER) 42,000 gal - cents per gal					
Nov 96	74.00	70.50	70.75	—3.22	41,222
Dec 96	73.65	70.35	70.70	—3.08	36,616
Jan 97	72.00	69.30	69.50	—2.48	25,816
Feb 97	69.20	67.15	67.28	—1.93	12,827
Mar 97	65.48	64.25	64.45	—1.28	8,380
Apr 97	61.75	60.50	60.80	—1.18	4,225
May 97	59.00	58.20	58.20	—0.98	2,540
Jun 97	57.40	56.60	56.60	—0.98	2,798
Jul 97	56.90	56.00	56.00	—0.98	2,345
Sep 97	57.70	56.40	56.70	—0.83	2,867
Est. sales N.A. Wed's. sales 46,864					
Wed's open int 146,164 up 2214					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Nov 96	25.05	24.22	24.23	—0.84	70,214
Dec 96	24.75	23.90	23.90	—0.77	80,005
Jan 97	24.00	23.45	23.46	—0.61	48,677
Feb 97	23.38	22.90	22.97	—0.45	31,164
Mar 97	22.82	22.35	22.48	—0.37	18,087
Apr 97	22.35	21.87	21.95	—0.42	14,456
May 97	21.70	21.50	21.55	—0.34	10,105
Jun 97	21.38	21.10	21.10	—0.40	26,504
Jul 97	20.93	20.92	20.92	—0.26	10,923
Aug 97	20.70	20.58	20.60	—0.28	9,345
Sep 97	20.42	20.23	20.30	—0.28	15,355
Oct 97	20.10	20.10	20.10	—0.24	6,878
Nov 97	19.80	19.80	19.80	—0.30	5,334
Est. sales N.A. Wed's. sales 89,667					
Wed's open int 422,919 up 239					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Nov 96	2.490	2.340	2.345	—105	29,838
Dec 96	2.590	2.470	2.520	—84	28,534
Jan 97	2.608	2.490	2.519	—96	20,129
Feb 97	2.465	2.375	2.385	—80	10,909
Mar 97	2.300	2.220	2.220	—80	7,381
Apr 97	2.140	2.065	2.070	—70	5,246
May 97	2.070	2.015	2.025	—45	4,881
Jun 97	2.030	1.980	1.990	—43	4,386
Jul 97	2.020	1.980	2.000	—30	3,866
Aug 97	2.020	1.980	1.985	—35	3,559
Sep 97	2.025	1.985	1.990	—30	4,318
Est. sales N.A. Wed's. sales 59,568					
Wed's open int 145,788 up 3812					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Nov 96	65.50	63.25	63.40	—2.19	24,326
Dec 96	65.05	62.90	63.00	—2.18	15,339
Jan 97	63.90	62.10	62.10	—2.03	10,457
Feb 97	63.00	62.30	62.30	—1.33	3,413
Mar 97	63.25	62.60	62.60	—1.23	1,846
Est. sales N.A. Wed's. sales 22,879					
Wed's open int 59,204 up 1190					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Oct 96	242.50	235.25	246.00	Unch.	5,414
Nov 96	235.00	224.00	224.50	—13.75	26,834
Dec 96	226.50	218.75	219.00	—10.75	20,299
Jan 97	218.50	212.75	212.75	— 8.25	14,278
Feb 97	208.75	204.00	203.75	— 7.25	3,355
Mar 97	198.50	194.25	194.00	— 7.00	4,872
Apr 97	184.75	184.75	184.50	— 6.50	4,251
May 97	N.T.	N.T.	179.50	— 6.00	1,1[illegible]
Jun 97	178.50	176.25	176.00	— 5.00	6,[illegible]
Jul 97	N.T.	N.T.	174.50	— 5.25	237
Aug 97	N.T.	N.T.	173.75	— 5.25	479
Sept 97	N.T.	N.T.	173.25	— 5.25	235
Est. sales: 27,591. Open int.: 88,641 off 3,899.					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Nov 96	24.18	23.54	23.59	— 0.68	27,416
Dec 96	23.75	23.13	23.17	— 0.60	62,971
Jan 97	23.06	22.53	22.54	— 0.66	27,917
Feb 97	22.38	21.90	21.87	— 0.63	18,758
Mar 97	21.69	21.24	21.20	— 0.60	23,928
Apr 97	21.10	20.68	20.62	— 0.57	7,492
May 97	20.32	20.20	20.12	— 0.55	4,025
June 97	19.95	19.76	19.71	— 0.55	7,210
July 97	N.T.	N.T.	19.40	— 0.55	3,195
Est. sales: 50,132. Open int.: 188,801 up 693.					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Dec 96	702.00	697.50	698.85	—1.65	179,380
Mar 97	708.10	703.80	705.50	— 1.25	4,508
Jun 97	713.90	710.80	712.45	—0.45	2,243
Est. sales N.A. Wed's. sales 81,277					
Wed's open int 186,562 up 695					
FTSE 100 (LIFFE) £25 per index point					
Dec 96	4046.0	4037.0	4026.0	— 18.0	61,600
Mar 97	N.T.	N.T.	4038.0	— 18.0	394
Jun 97	N.T.	N.T.	4050.0	— 18.0	326
Est. sales: 16,141. Prev. sales: 15,693					
Prev. open int.: 62,320 off 727					
CAC 40 (MATIF) FF200 per index point					
Oct 96	2148.0	2128.0	2138.0	— 10.00	28,367
Nov 96	2152.5	2135.0	2143.0	— 10.00	2,360
Dec 96	2157.5	2140.0	2148.0	— 10.00	17,448
Mar 97	0.00	0.00	2165.0	— 10.00	4,936
Sep 97	2146.0	2146.0	2143.0	— 9.00	5,475
Mar 98	0.00	0.00	2187.0	— 10.50	3,0[illegible]
Sep 98	0.00	0.00	2165.5	— 10.50	663
Est. volume: 14,981. Open int.: 62,516 off 846.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	N.A.
Reuters	1,891.30	1,896.40
D.J. Futures	149.18	149.06
CRB	247.38	248.61

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Giscard Gives Conditional Nod to France's EMU Deal

By Barry James
International Herald Tribune

PARIS — Former President Valery Giscard d'Estaing on Thursday condoned a controversial government deal to transfer billions of dollars from the state telephone monopoly's pension fund to meet criteria for the single European currency, but he said that such arrangements should not become a habit — or an alternative to stable and sustained economic growth.

In a deal yet to approved by the European Commission, the government has proposed to transfer 37.5 billion francs ($7.26 billion) from France Telecom's pension fund to state coffers. This will help France to reduce its budget deficit to 3 percent of gross domestic product, one of the key criteria for European monetary union laid down by the Maastricht treaty. German officials last month criticized the transfer as an example of the window dressing that they said some countries were using to meet the criteria.

Mr. Giscard d'Estaing, chairman of the National Assembly's Foreign Affairs Committee, said France could not lecture countries struggling to reach the Maastricht targets unless its own house was in order.

"The Maastricht rule must be imposed on all," the former president said, "and it is for that reason we need accelerated growth in 1997."

Although he said that the prospects of introducing a single currency were improving, he warned that it was not enough merely to declare monetary union.

He said in a meeting Thursday with the Anglo-American Press Association that countries also had to make the single currency succeed in the long term. In the case of France, he reiterated, this means turning around a sluggish economy with 12.6 unemployment and achieving "sustainable economic growth."

A recent EU meeting in Dublin produced agreement on a "stability pact" under which countries whose budget deficits rose after monetary union would have to set aside a big deposit that they would lose unless they took remedial action.

The weekly Die Zeit reported Thursday, however, that the president of the Bundesbank, Hans Tietmeyer, and other officials of the German central bank were concerned that the pact would be toothless for political reasons.

A spokesman for the Bundesbank, Manfred Koerber, told Die Zeit: "At negotiations to decide to impose penalties on a country, there will be only people who are themselves at fault."

Another Bundesbank official, refuting Die Zeit's assertion that the central bank was heading for a showdown with the government over what the Bundesbank saw as a weakening of the Deutsche mark for political reasons, said the central bank stood behind the efforts of Finance Minister Theo Waigel to achieve the stability pact.

EU countries are expected to approve the pact at a meeting in Dublin in December.

Mr. Giscard d'Estaing's warning echoed that of Mr. Tietmeyer, who said this week that countries seeking to join the single currency on the basis of short-term economic performance rather than long-term financial stability risked being "heavily punished" by the markets.

Without a turnaround in the economy, Mr. Giscard d'Estaing said, "France would have much difficulty in honestly meeting the Maastricht criteria at the end of 1997."

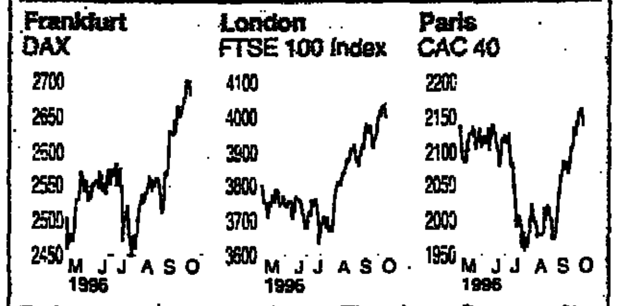
The government has forecast that France's economic growth will increase to 2.3 percent next year from 1.3 percent this year and claims that spending already is picking up.

This view was not borne out, however, by a survey by the National Statistics Institute released Thursday, which indicated that government promises of tax cuts had failed to convince French consumers that the economy is improving.

In a column this week in the magazine L'Express, Mr. Giscard d'Estaing wrote that a key question remained unanswered: If the French economy continues to lag, should France enter a currency union at all?

"Should France enter a durable monetary system with a languishing economy, company heads demoralized and unmotivated by too many charges, the risk of international takeovers of its finest industrial assets and an unemployment rate sadly fixed in place?" he wrote.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	584.37	587.84	-0.59
Brussels	Stock Exchange	9,792.03	9,830.01	-0.39
Frankfurt	DAX	2,680.75	2,702.99	-0.82
Copenhagen	Stock Market	445.28	445.77	-0.11
Helsinki	HEX General	2,163.37	2,200.23	-1.68
Oslo	OBX	483.16	485.29	-0.44
London	FTSE 100	3,994.70	4,009.30	-0.36
Madrid	Stock Exchange	371.15	371.95	-0.22
Milan	MIBTEL	9,902.00	9,948.00	-0.46
Paris	CAC 40	2,135.63	2,146.71	-0.52
Stockholm	SX 16	2,231.40	2,224.75	+0.30
Vienna	ATX	1,072.87	1,081.21	-0.77
Zurich	SPI	2,430.53	2,435.39	-0.20

Source: Telekurs — International Herald Tribune

RWE Exit Not Seen Killing BT Alliance

Compiled by Our Staff From Dispatches

LONDON — The decision by the German utility RWE AG to sever links with British Telecommunications PLC and VIAG AG will not harm the British company's expansion plans in Germany, analysts said Thursday.

RWE said Wednesday it had decided to join a rival consortium led by BT's domestic rival, Cable & Wireless PLC, and VEBA AG, another German utility.

"We're not at all worried about BT's prospects in Germany," said one telecommunications analyst, who asked not to be named. "We recognize in terms of sentiment that it first sounded like a blow. But in the long run, we're quite happy with BT's strategy in Germany."

VIAG, meanwhile, said it would continue "forcefully" with its joint venture with British Telecom. The German company added, however, that investment would be scaled back.

Georg Obermeier, VIAG's chief executive, said the venture would focus investment on the mobile-phone market, where he sees the greatest potential for profit. He said combined investment would be reduced to 6 billion Deutsche marks ($3.84 billion) from 8.7 billion DM.

"According to our estimates, mobile telephones will develop into a mass market in the medium term," Mr. Obermeier said.

With the departure of RWE, BT loses the energy company's 4,500-kilometer (2,790-mile) fiber-optic network in northern Germany.

Cable & Wireless, meanwhile, will see its costs cut once RWE invests in its German alliance. Cable & Wireless also says the combined network of VEBA and RWE will give it access to about 67 percent of the German population.

Nevertheless, many analysts said they favored BT, which has operations in 30 countries and a data-services joint venture with America's MCI Communications Corp., as a stronger contender for a slice of the lucrative German market.

The BT-VIAG strategy depends on the partnership receiving Germany's fourth mobile-telephone license, known as E2. "If we don't get E2 then we have a problem," Mr. Obermeier said.

"As far as we know, there are no other competitors" for the license, he said. Tuesday is the deadline for applications.

VIAG will hold a "slight majority" in the venture. A 10 percent stake will be left open for a third partner or partners.

The main threat to Deutsche Telekom is still viewed as coming from the DBKom alliance of the utility Mannesmann AG, the railway Deutsche Bahn AG and AT&T Corp. *(Bloomberg, Reuters)*

German Sick-Pay Talks Hit a Snag

Compiled by Our Staff From Dispatches

FRANKFURT — The metalworkers' union failed to break a deadlock with employers Thursday about cuts in sick pay after a dispute over which issues should be resolved first, raising the possibility that strikes could begin again if no solution is found in two weeks.

Three hours of talks between IG Metall, Germany's largest union, with 3.5 million members, and the Gesamtmetall employers' organization made no progress, although Gesamtmetall agreed to ask member companies not to apply sick-pay cuts immediately.

Werner Stumpfe, the head of Gesamtmetall, said, "There is no cause for optimism."

Klaus Zwickel, the leader of IG Metall, said he would call for protests if there was no progress by Oct. 23.

IG Metall has tentatively scheduled a nationwide day of walkouts for Oct. 24.

"If there is no deal by then, we will first of all see if we have done everything to come to a solution," Mr. Zwickel said.

"If it is not possible, we will step up strikes in workplaces. We want to talk, but for that we need a positive signal."

As many as 140,000 metalworkers, mainly in the auto industry, walked off their jobs last week. The protests followed an announcement by Daimler-Benz AG and other companies that they would cut sick pay to 80 percent of full pay from 100 percent beginning Oct. 1.

Parliament passed a law last month that allows businesses to make the cuts. The move is part of Chancellor Helmut Kohl's effort to slash government spending.

IG Metall, which opposes the cuts in sick pay, has called for that issue to be resolved first.

The employers want to make sick pay an issue in contract bargaining for 1997, along with vacation time, job security and cost-cutting.

Gesamtmetall will return to talks only if IG Metall agrees to discuss a "complete packet" of issues, Mr. Stumpfe said.

"If IG Metall doesn't want to talk about a package deal, the central wage negotiations are at an end," he said. *(AP, Bloomberg)*

Olivetti Could Seek More Capital

Bloomberg Business News

ROME — Olivetti SpA will ask shareholders for a capital increase at the end of 1997 if a new recovery plan is successful, its chief executive, Roberto Colaninno, told the Senate Industry Committee on Thursday.

Olivetti will approve a "recovery plan" that will last from six months to a year, a company spokesman said. If it is successful, the company will ask shareholders for a capital increase in conjunction with a three-year plan for development.

Last week, Mr. Colaninno told analysts Olivetti planned to sell its personal-computer business and three other units to raise as much as 800 billion lire ($527 million) by the end of the year. He said then that the company had no plans for a capital increase. It collected 2.26 trillion lire of fresh capital in December to plug losses at its personal-computer unit.

Mr. Colaninno also met with Industry Minister Pierluigi Bersani, who opposes his plan to sell the personal-computer division.

Mr. Colaninno told the Senate Committee on Thursday that he had already found a buyer for the computer division that met his criteria.

"I think the meeting provided a good chance to explain our strategy for the computer business and for asset sales," he said. shares fell 8,000 lire to end at 510,000.

■ Long Road to Monetary Union

The Bank of Italy's governor, Antonio Fazio, said the current lira exchange rate was "not very far from equilibrium," Bridge News reported. But he said Italy had "farther to go" than other European Union countries before meeting conditions to join an economic and monetary union.

Mr. Fazio would not say whether Italy's 1997 budget would enable it to meet the criteria on time, but he repeated that he was ready to ease monetary conditions again when the inflation trend met his conditions.

Very briefly:

- **The European Union**'s trade surplus with the rest of the world fell to 1.6 billion European currency units ($2.01 billion) in the first quarter of 1996 from 2.5 billion Ecus a year earlier.
- **Credit Lyonnais** confirmed that it needed an additional 12 billion French francs ($2.35 billion) in public aid before it could be sold.
- **Air Europa**, a private Spanish airline, accused its state-owned competitor, **Iberia Air Lines**, of price-dumping through new cut-rate fares.
- **Gazprom** of Russia plans to double exports to Europe by 2010, mostly via its $40 billion Yamal gas pipeline project, but energy analysts said the timing could be wrong because of market saturation in Europe.
- **SBC-Warburg** placed in the market about 30 million shares in **J. Sainsbury PLC** of Britain at 347 pence ($5.43). Sainsbury shares closed at 357 pence, down 7.
- **National Westminster Bank PLC** agreed to acquire the corporate finance specialist **J. O. Hambro Magan & Co.** The independent corporate finance specialist will combine with NatWest Markets Corporate Finance Ltd. in Britain and Gleacher NatWest in the United States to create the platform for NatWest Markets' global corporate advisory services.
- **BASF AG**'s chairman, Juergen Strube, said that during the first three quarters, sales at Germany's major chemical companies dropped 2.5 percent from a year earlier, to about 135 billion Deutsche marks ($88 billion).

AFX, Bloomberg, Reuters

Porsche Predicts Annual Profit

Reuters

STUTTGART — Porsche AG said Thursday it expected to report a profit of about 40 million to 50 million Deutsche marks ($26 million to $32 million) for the year ended July 31.

The carmaker said that profit for the first six months of its year was 10.3 million DM and that gains in the second half were due to cost-saving measures along with strong demand for versions of its 911 model.

WORLD STOCK MARKETS

Thursday, Oct. 10
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 584.37 Previous: 587.84

	High	Low	Close	Prev.
ABN-AMRO	97.10	95.80	96.90	97.40
Aegon	87.80	86.50	87.70	87.90
Ahold	100.20	98.90	99.30	99.20
Akzo Nobel	211.20	209	209.70	211.90
Bols Wess cva	30.10	29.50	29.90	30.10
CSM cva	86.30	85.20	85.90	86.10
Dordtsche Pet	298.60	295.30	296.80	300
DSM	169	166	167.20	169
Elsevier	28.20	27.90	28.10	28.10
Fortis Amev	53.20	51	51.80	53.40
G-Broc cva	51.50	50.60	51.20	51.70
Hagemeyer	138	134.10	135	138
Heineken	316.50	313.40	315.70	314.50
Hoogovens	64.30	63.80	64.20	64.80
Hunt Douglas	129.30	127.70	127.70	128.30
ING Group	55.20	54.10	54.70	55
KLM	43.20	41.60	41.60	43
KNP BT	40	39.70	40	39.40
KPN	60.80	59.50	60.20	59.60
Nedlloyd Gp	43.70	43.10	43.60	43.80
Nutricia	238.90	235.50	236.70	239.10
Oce Grinten	195.50	190	192	195
Pakhoed	51.60	50.70	50.80	51.50
Philips Elec	64.50	63.40	64	64.10
Polygram	90.60	87.40	88.30	90.50
Randstad Hdg	147.80	144.30	145	147.90
Robeco	132.50	131.60	131.60	132.40
Rodamco	47.80	47.40	47.70	47.80
Rolinco	140.50	139.70	139.70	140.60
Rorento	102.20	101.90	101.90	102.10
Royal Dutch	277.80	275.40	276.10	279.60
Stork	53.90	53.10	53.50	53.50
Unilever cva	269.60	267.60	268.60	270.60
VNU	33	31.50	31.70	32.90
Wolters Kl cva	214	211.70	213.10	214.60

Bangkok
SET Index: 933.08 Previous: 949.44

	High	Low	Close	Prev.
Adv Info Svc	342	320	332	324
Bangkok Bk F	268	260	264	268
Krung Thai Bk	86.50	80	82	86
PTT Explor	344	336	344	340
Siam Cement F	852	836	852	832
Telecomasia	48.75	46.75	48.50	47
Thai Airways	45.25	43.75	44.75	43.50
Thai Farm Bk F	210	202	204	210
Thai Teleph	40	37	40	37.25
Utd Comm	226	218	224	224

Bombay
Sensitive Index: 3126.34 Previous: 3027.35

	High	Low	Close	Prev.
Assoc Cement	1740	1679	1725.25	1640.50
Grasim Ind	400	380	400	381.25
Hindalco Ind	609	590	607.75	599
Indust Lever	793	776	791.75	782.75
Indian Hotels	620	600	615.75	590.50
ITC	324.50	310.25	323.75	309.25
Larsen Toubro	215.50	209	215	206
Reliance Ind	196	188	195.75	188.75
Tata Eng Loco	414.50	400	413.50	404
Tata Iron St	170	164.50	169	164

Brussels
Stock Exchange Index: 9792.03 Previous: 9830.01

	High	Low	Close	Prev.
Arbed	3690	3650	3680	3700
Barco Ind	5190	5070	5080	5190
BBL	6530	6370	6530	6360
Bekaert	23875	23775	23800	23850
CBR	2390	2355	2380	2365
CMB	2350	2330	2350	2340
Cockerill	132	129	130	130
Colruyt	13075	12800	12900	13000
Delhaize Lion	1760	1735	1740	1730
Electrabel	7260	7190	7200	7250
Electrafina	2885	2850	2860	2895
Fortis AG	4400	4325	4345	4400
GIB	1318	1282	1294	1298
GBL	3950	3870	3900	3900
Gen Banque	10700	10625	10700	10725
Glaverbel	3445	3400	3400	3450
Kredietbank	10100	10025	10075	10075
Mosane	2360	2360	2360	2450
Petrofina	9450	9320	9390	9460
Powerfin	4600	4560	4560	4570
Recticel	290	275	275	291
Royale Belge	6340	6310	6330	6340
Soc Gen Belg	2395	2355	2365	2390
Solvay	18450	18275	18275	18450
Tessenderlo	11800	11650	11650	11825
Tractebel	14750	14700	14750	14725
UCB	62100	61750	62100	61850
Union Miniere	2280	2240	2250	2285

Copenhagen
Stock Index: 445.28 Previous: 445.77

	High	Low	Close	Prev.
Carlsberg B	368.92	363	367	369
Danisco	348	342	344	342
Den Danske Bk	432	423	425	429
D/S Svendbrg A	211000	211000	211000	211000
D/S 1912 A	146500	146500	146500	147000
East Asiatic Co	128	121.50	125	125
FLS Ind B	750	745	750	760
ISS Intl Svc B	160	155	158	159
Nvo Nordisk B	957	930	954	933
Radiometer B	410	400	402	400.50
Sophus Ber B	702	696	696	697
Tele Danmk B	285.29	281	282	285
Unidanmark A	288	282	284	287

Frankfurt
DAX: 2680.75 Previous: 2702.99

	High	Low	Close	Prev.
AMB	1150	1150	1150	1170
Allianz Hdg	2684	2670	2670	2720
Altana	1277	1259	1260	1267
Badenwerk	566	565	566	565
BASF	49.30	48.75	48.75	49.95
Bayer Hypo Bk	43.70	43.30	43.35	43.48
Bay.Vereinsbank	55.55	55.25	55.26	55.25
Bayer	57.54	57.23	57.47	58.09
Berliner Kraft	425	414	423	414.50
BHF Bank	38.65	38.55	38.65	38.90
BMW	880	876	877	884
CKAG Colonia	117.80	117.80	117.80	118
Commerzbank	34.68	34.48	34.68	34.48
Daimler Benz	83.50	82.75	82.85	84.06
Degussa	589	583.50	589	592.80
Deutsche Bank	72.30	71.80	71.90	72.15
Dresdner Bank	40.05	39.85	39.85	40.05
Heidelbg Zmt	112.80	112	112	112.40
Henkel	66.30	66.10	66.10	66.30
Hochtief	72.50	70.50	70.50	74
Hoechst	57.85	57.55	57.68	58.52
Holzmann Ph.	348	345	345	345
Karstadt	529	525.50	525.50	538
Linde	991	983	983	992
Lufthansa ord	21.90	21.31	21.45	220.60
MAN	396	390	393.50	391.20
Mannesmann	589	580.20	580.50	582.80
Metro	139.80	139	139.20	139.80
Muench Rueck	3470	3435	3445	3467
Preussag	372.90	371.20	371.20	372.50
PWA	230	222	222	223.50
RWE	61.47	60.75	61.47	60.60
SAP pfd	264.30	261	263	267.20
Schering	122.80	120.10	120.70	123
Schmalb Lub	297	293	297	292
Siemens	80.50	80.12	80.22	80.70
Suedzucker	668	662	662	663
Thyssen	282.50	279.50	280.50	278.70
Veba	82.45	82.30	82.39	81.53
VEW	512	510	518	513.50
Viag	579	574	574.20	581
Volkswagen	575.25	572	572.25	581.25
Wella	918	912	914	925

Helsinki
HEX General Index: 2163.37 Previous: 2200.23

	High	Low	Close	Prev.
Cultor 1	226	220	220	226
Enso R	35.60	35	35	35.60
Huhtamaki IF	167	165	167	167
Kesko	73	71	71	73.40
Kone BF	475	468	468	470
Merita A	12.40	11.90	12.20	12.30
Metra BF	269	267	267	269
Metsa-Serla B	29.10	28	28.30	29.50
Nokia Pfd F	207.30	199	201	209
Outokumpu A	79	76.50	77	79
Rautaruukki	40.50	39.50	39.90	40
Stockmann A	270	269	270	270
UPM-Kymme	96.20	94.90	95	95.40
Valmet A	74.60	74	74.30	74

Hong Kong
Hang Seng: 12362.47 Previous: 12250.57

	High	Low	Close	Prev.
Amoy Props	9.75	9.50	9.50	9.55
Bk East Asia	29.55	29.10	29.35	29.20
Cathay Pacific	12.90	12.70	12.70	12.70
Cheung Kong	63	61.50	62	62
China Light	37.40	36.80	36.90	37
Chin Estates	7.45	7.30	7.30	7.40
Citic Pacific	37.30	36.20	36.30	37
Cons Elec Pwr	N.T.	N.T.	N.T.	16.05
Dao Heng Bk	32.40	32	32	32
First Pacific	12	11.45	11.50	11.60
Great Eagle	24.90	24.70	24.70	24.80
Guangdong Inv	5.90	5.65	5.60	5.75
Guoco Group	39.60	39.10	39.20	39.30
Hang Lung	15.50	15.15	15.20	15.35
Hang Seng Bk	90	86.50	87.50	87
Henderson Inv	8.80	8.45	8.70	8.70
Henderson Ld	70.50	69	69.50	69.75
HKR Intl	9.40	9.05	9.30	9
HK Aircraft	19.60	19.35	19.35	19.50
HK China Gas	13.20	13.05	13.10	13.15
HK Electric	25.05	24.85	24.90	24.95
HK Shang Hts	14.95	14	14	14.10
HK Telecomm	14.20	13.95	14	14.10
Hopewell Hdgs	N.T.	N.T.	N.T.	4.40
HSBC Hdgs.	150	147	148.50	147.50
Hutchison Wh	54	52.75	53.25	53
Hysan Dev	24.75	24.45	24.60	24.55
Johnson El 500	17.95	17.90	17.90	17.90
Miramar Hotel	15.05	15	15	15.10
Natl Mutual	7	6.85	6.85	6.95
New World	42.10	41.30	41.30	41.30
Oriental Press	4.15	4.05	4.08	4.10
Shangri-La	10.65	10.45	10.45	10.50
SHK Props	87	86	86.50	85.75
Shun Tak Hdgs	5.10	4.98	5	4.90
Sino Land Co.	8.95	8.75	8.85	8.95
Sth China Post	6.35	6.20	6.35	6.15
Swire Pac A	70.75	69.25	70.50	69.50
Tsim Sha Tsui	11.25	11.05	11.20	11.25
TV Broadcasts	27.65	26.70	26.75	27.65
Wharf Hdgs	32.90	31.80	32	32.60
Wheelock	17.45	17.05	17.25	17.10

Jakarta
Composite Index: 567.93 Previous: 566.32

	High	Low	Close	Prev.
Astra Intl	3575	3500	3550	3500
Barito Pacific	1450	1450	1450	1475
Gudang Garm	9150	9000	9000	8975
Indah Kiat	1850	1850	1850	1850
Indocement	3800	3750	3775	3750
Indofood	4980	4850	4900	4900
Indorayon	2025	2000	2025	2025
Indosat	7450	7450	7450	7450
Kalbe Farma	2975	2875	2975	2900
Sampoerna	19800	18325	19375	18300

Johannesburg
All Market: 7031.49 Previous: 7057.15

	High	Low	Close	Prev.
AngloAm-Corp	292.50	291.25	291.25	292.75
AngloAm Gold	396	393.50	396	393.50
AngloAm Ind	159.50	156.50	156.50	159.50
Barlow	45.45	45.30	45.30	45.50
C.G. Smith	24	23.50	23.50	24.50
De Beers	146.25	145.75	145.75	146.25
Driefontein	55	54.25	54.75	54.50
Freegold	44	43.75	44	44.20
Fst Natl Bk	28.25	27.95	28	28.35
Gencor	16.85	16.55	16.85	16.85
GFSA	138.25	129.50	130.25	130
Iscor	3.10	3.03	3.08	3.04
Johnnies Ind	54.75	54	54.75	54.50
Kloof Gold	40.85	40.55	40.80	40.70
Liberty Life	137.75	135	136	138.50
Minorco	100	99	99	100.50
Nedcor	68	67.50	67.50	68.25
Rembrandt Gp	42.25	41.95	42	42.25
Richemont	71.25	70.75	70.75	71.50
Rust Platinum	72.25	72	72.25	72
SA Breweries	123	122	122.50	123
Sappi	39.40	39.20	39.30	39.30
Sasol	54.50	54	54.25	54.75
SBIC	190.50	189	189	190.50
Tiger Oats	64.75	64.50	64.50	64.50

Kuala Lumpur
Composite: 1138.92 Previous: 1140.92

	High	Low	Close	Prev.
Genting	18.90	18.70	18.90	19
Hicom Hldgs	6.80	6.65	6.70	6.80
Mal Banking	24.70	24.50	24.70	24.60
Mal Intl Ship F	7.65	7.60	7.60	7.60
Public Bank F	4.68	4.64	4.64	4.64
Resorts World	14.50	14.30	14.40	14.50
Sime Darby	8.40	8.35	8.35	8.40
Telekom Mal	22.50	22.30	22.50	22.40
Tenaga	8.85	8.75	8.75	8.80
Utd Engineers	19.70	19.50	19.70	19.60

London
FT-SE 100: 3994.70 Previous: 4009.30

	High	Low	Close	Prev.
Abbey Natl	6.05	5.92	5.95	6.02
Allied Domecq	4.45	4.37	4.37	4.40
Anglian Water	5.59	5.50	5.50	5.55
Arjo Wiggins	1.67	1.64	1.66	1.67
Asda Group	1.11	1.08	1.10	1.10
Assoc Br Foods	4.17	4.13	4.13	4.16
BAA	5.02	4.96	4.98	4.98
Barclays	9.71	9.50	9.55	9.70
Bass	7.74	7.61	7.65	7.75
BAT Ind	4.40	4.28	4.35	4.33
Bank Scotland	2.76	2.74	2.75	2.73
BICC	2.99	2.92	2.93	2.95
Blue Circle	4.11	4.03	4.10	4.07
BOC Group	8.67	8.59	8.60	8.69
Boots	6.30	6.25	6.29	6.29
Bowater	3.75	3.67	3.68	3.72
BPB Ind	3.82	3.76	3.82	3.79
Brit Aerosp	11.18	11.08	11.13	11.15
Brit Airways	5.81	5.74	5.75	5.82
Brit Gas	1.87	1.77	1.86	1.85
Brit Petm	6.90	6.79	6.86	6.94
Brit Steel	1.90	1.88	1.88	1.88
Brit Telecom	3.51	3.46	3.48	3.48
BTR	2.71	2.62	2.63	2.70
Burmah Cast	11.22	10.93	11.07	11.29
Cable Wireless	4.60	4.26	4.29	4.29
Cadbury Schw	5.17	4.98	5.05	5.10
Caradon	2.60	2.49	2.58	2.52
Carlton Comm	4.94	4.88	4.91	4.91
Coats Viyella	1.60	1.57	1.58	1.58
Comml Union	6.70	6.36	6.43	6.38
Courtaulds	4.64	4.58	4.62	4.61
De La Rue	6	5.85	5.93	5.88
EMI Group	13.05	12.97	13.01	12.99
Eng China Cl	1.87	1.80	1.80	1.85
Enterprise Oil	5.70	5.60	5.68	5.69
Fam Colonial	1.57	1.55	1.56	1.56
Genl Accident	7.30	7.16	7.24	7.20
GEC	3.99	3.88	3.96	3.98
GKN	11.35	11.24	11.35	11.46
Glaxo	9.92	9.74	9.90	9.89
Granada Gp	8.65	8.50	8.63	8.65
Grand Met	4.85	4.75	4.80	4.83
GRE	2.67	2.59	2.64	2.58
Guinness	4.49	4.43	4.49	4.49
GUS	6.39	6.28	6.34	6.35
Hanson	0.84	0.81	0.82	0.83
Hillsdown Hdg	1.85	1.81	1.83	1.84
HSBC Hldgs	12.30	12.11	12.19	12.23
ICI	8.36	8.26	8.34	8.36
Inchcape	2.83	2.75	2.80	2.74
Kingfisher	6.45	6.40	6.41	6.38
Ladbroke	2.08	2.03	2.06	2.06
Land Sec	7.10	7.02	7.06	7.10
Laporte	7.16	7.07	7.08	7.18
Lasmo	2.18	2.14	2.17	2.18
Legal Genl Grp	8.34	8.28	8.29	8.29
Lloyds Abbey	6.42	6.35	6.35	6.37
Lloyds TSB Gp	4.41	3.94	4	4.01
London Elec	6.10	6	6.08	6.05
LucasVarity	2.52	2.48	2.51	2.50
Marks Spencer	5.05	5	5.03	5.04
MEPC	4.40	4.36	4.37	4.40
Mercury Asset	10.89	10.82	10.83	10.87
Natl Power	3.98	3.84	3.91	3.93
NatWest	7.12	6.98	7.01	7.08
Utd Utilities	5.83	5.73	5.75	5.75
Nthern Foods	1.98	1.93	1.97	1.97
P&O	6.35	6.19	6.24	6.36
Pearson	6.90	6.80	6.80	6.93
Pilkington	1.92	1.87	1.89	1.89
PowerGen	4.88	4.83	4.83	4.86
Prudential	4.72	4.68	4.72	4.72
Rank Group	4.52	4.44	4.48	4.45
Reckitt Colm	7.35	7.20	7.21	7.35
Redland	4.63	4.54	4.59	4.58
Reed Intl	11.77	11.65	11.69	11.82
Rentokil	4.21	4.15	4.20	4.22
Reuters Hdgs	7.74	7.58	7.59	7.65
RMC Group	11.85	11.70	11.74	11.84
Rolls Royce	2.49	2.45	2.47	2.52
Royal Bk Scot	5.30	5.24	5.28	5.25
RTZ reg	9.78	9.58	9.64	9.67
Royal & Sun All	4.22	4.13	4.17	4.13
Safeway	3.48	3.42	3.45	3.47
Sainsbury	3.63	3.44	3.57	3.64
Schroders	14.20	14.10	14.15	14.15
Scot Newcastle	6.50	6.47	6.48	6.50
Scot Power	3.15	3.09	3.10	3.13
Sears	0.93	0.90	0.90	0.93
Severn Trent	6.08	5.99	6	6.03
Shell Trsp reg	10.34	10.15	10.20	10.27
Siebe	9.70	9.55	9.56	9.69
Smith Nephew	2.14	2.12	2.12	2.14
Smith (WH)	4.65	4.54	4.54	4.68
SmithKline	8.03	7.89	7.94	8.04
Smiths Ind	7.81	7.68	7.70	7.88
Sthern Elec	6.21	6.13	6.14	6.62
Stand Charter	7.09	6.93	7.09	6.93
Tate & Lyle	4.72	4.68	4.72	4.70
Tesco	3.16	3.12	3.13	3.14
Thames Water	5.53	5.50	5.51	5.55
3i Group	4.95	4.87	4.90	4.93
TI Group	5.66	5.27	5.56	5.71
Tomkins	2.85	2.74	2.76	2.79
Unilever	13.81	13.55	13.70	13.83
Utd Biscuits	2.14	2.11	2.13	2.13
Utd News	6.71	6.61	6.62	6.70
Vendome uts	5.78	5.68	5.73	5.69
Vodafone	2.29	2.25	2.27	2.24
Whitbread	7.02	6.97	7.01	7.01
Williams Hdgs	3.62	3.57	3.57	3.58
Wolseley	5.12	5.05	5.05	5.11
Zeneca	16.20	15.95	16.12	16.25

Madrid
Bolsa Index: 371.15 Previous: 371.95

	High	Low	Close	Prev.
Acerinox	14950	14800	14900	14850
ACESA	1530	1505	1515	1530
Argentaria	5460	5360	5390	5470
BBV	5920	5840	5890	5940
Banesto	806	802	805	805
Bankinter	15190	14820	14950	15110
Bco Centro Hisp	2895	2875	2895	2890
Bco Exterior	2870	2815	2815	2815
Bco Popular	24790	24350	24790	24490
Bco Santander	6740	6650	6670	6710
CEPSA	3930	3900	3900	3930
Corp Mapfre	6300	6130	6180	6270
Dragados	1780	1730	1755	1770
Endesa	7540	7470	7580	7490
FECSA	974	958	968	957
Fomento Const	10880	10750	10800	10800
Gas Natural	21800	21200	21700	21540
Hidroel Cantab	3960	3910	3925	3950
Iberdrola	1286	1260	1275	1275
Pryca	2970	2925	2930	2970
Repsol	4435	4360	4380	4425
Sevillana Elec	1130	1105	1115	1100
Tabacalera	5500	5310	5440	5480
Telefonica	2480	2450	2465	2470
Union Fenosa	823	814	823	820
Valenc Cement	1435	1400	1415	1425

Manila
PSE Index: 3082.25 Previous: 3026.24

	High	Low	Close	Prev.
Ayala A	20.75	20	20.75	20.75
Ayala Land	29	27.50	28.50	29
Manila Elec A	103	103	103	103
Metro Bank	595	575	580	600
Petron	9.40	9.20	9.40	9.30
Phil Long Dist	1560	1520	1520	1560
San Miguel A	47	45.50	46.50	45
San Miguel B	85.50	83.50	85.50	83.50
SM Prime Hdg	5.50	5.30	5.40	5.50

Mexico
Bolsa Index: 3365.35 Previous: 3372.80

	High	Low	Close	Prev.
Alfa A	33.30	32.70	32.80	33.00
Cemex B	32.55	32.00	32.35	32.25
Cifra C	10.90	10.74	10.78	10.96
Empresas ICA	118.10	116.80	117.30	117.00
Emp Modena	37.50	36.75	36.95	37.50
Femsa	25.00	24.30	24.75	24.45
Gpo Carso A1	38.60	38.10	38.30	38.20
Televisa CPO	113.00	112.40	112.40	112.50
TelMex L	12.50	12.38	12.38	12.48
Tribasa	22.10	21.65	21.80	21.90

Milan
MIB Telematico: 9902.00 Previous: 9948.00

	High	Low	Close	Prev.
Alleanza Assic	11245	11010	11200	11180
Bca Comm Ital	2950	2880	2940	2905
Bca Naz Agricol	665	651	651	665
Bca Naz Lavoro	11800	11630	11800	11750
Bca di Roma	1376	1345	1368	1375
Bco Ambrosiano	3260	3150	3150	3270
Benetton	17885	17420	17885	17505
Credito Italiano	1732	1695	1732	1726
ENI	7430	7330	7390	7395
Fiat	4165	4090	4130	4170
Fondiaria	5800	5610	5650	5730
Generali Assic	32100	31550	31700	32150
IFIL	3870	3820	3840	3850
Italcementi	8700	8315	8500	8550
Italgas	5760	5675	5730	5735
Mediobanca	8385	8265	8385	8300
Montedison	990	968	978	970
Olivetti	516	504	510	518
Pirelli	2825	2800	2810	2815
RAS	14745	14470	14700	14700
Rinascente	9395	9250	9390	9300
S Paolo Torino	9950	9785	9870	9960
Standa	N.T.	N.T.	N.T.	12800
Stet	5230	5150	5230	5200
Telecom Italia	3370	3300	3315	3395
Toro Assic	19400	18800	19050	20000

Montreal
Industrials Index: 2554.20 Previous: 2545.11

	High	Low	Close	Prev.
Alco I	20.90	20.70	20¾	20.90
Bank Montreal	38.55	38.35	38.45	38.55
Bce Mob Com	47.35	47	47.05	47
Cdn Tire A	19.45	19¼	19¼	19½
Cdn Util A	28.90	28.65	28.80	28.70
Cascades	6.35	6¼	6.30	6.35
CT Finl Svc	34½	34	34	34
Extendicare	16	16	16	16
Gaz Metro	16.60	16.45	16½	16½
Gt-West Lifeco	40.60	40.10	40.60	40.80
Hees Intl Bcp	16.70	16.70	16.70	16.70
Hudson's Bay	21.55	21¼	21.55	21½
Imasco	32.30	32	32.05	32.20
Investors Grp	22.35	22.35	22.35	22¼
Loblaw Cos	11.30	11¼	11.30	11.30
Molson A	21.10	20.95	20.95	21
Natl Bk Canada	12.55	12.45	12½	12½
Oshawa A	18¾	18.70	18¾	18.80
Pancdn Petm	48.85	48.85	48.85	48¾
Power Corp	25.35	25	25.20	25.15
Power Finl	45	44.60	44.70	44.80
Quebecor B	21	20.90	20.90	20.90
Rogers Comm B	10.45	9.90	10.45	9¾
Royal Bk Cda	41.05	40.80	40.90	41.05
Sears Canada	8.20	8.05	8.05	8.15
Shell Cda A	46.70	46.05	46.05	46.80
Southam	17.40	17.20	17.30	17.60
Stelco A	6.70	6½	6.70	6½
Trilon Finl A	5.95	5.90	5.90	5.95

Oslo
OBX Index: 483.16 Previous: 485.29

	High	Low	Close	Prev.
Aker A	132	127.50	132	129
Bergesen Dy B	143	141	142	142
Christiania Bk	17.30	15.20	17.30	17.40
Den norske Bk	21.40	21.20	21.40	21.40
SAS Norge ASA	64	63.50	63.50	64
Dyno Indust	147	146	147	147
Elkem	89.50	87.50	87.50	90
Hafslund A	49.50	48	49.50	49.50
Kvaerner	246.50	243	245	244
Leif Hoegh	111	110	111	114
Norsk Hydro	312	308.50	309	312
Norske Skog A	188	187	187.50	187.50
Orkla	396	391	391	395.50
Rieber B	162	158	159	159
Saga Petm B	104.50	103	104.50	104.50
Schibsted	93.50	93	93	93.50
Storebrand	37.50	37	37	37.50

Paris
CAC-40: 2135.63 Previous: 2146.71

	High	Low	Close	Prev.
Accor	634	626	632	633
AGF	155	152.40	153	153.20
Air Liquide	774	759	762	776
Alcatel Alsth	453	447.70	449.60	447
Axa	312	309	311.40	310.80
Bancaire	537	530	530	544
BNP	196.50	194.10	195.20	197
Bouygues	488	483.50	487.50	484
Canal Plus	1253	1243	1253	1253
Carrefour	2855	2784	2842	2833
CCF	235	233	235	233.90
Credit Local ci	442.90	438.20	440.20	443.20
Credit Lyon PC	139.80	136.60	139.80	139.80
Crown Cork Seal	243	242.10	243	243
Danone	745	740	744	745
Elf-Aquitaine	404	400	402.20	404
Eridania BS	795	780	785	793
Euro Disney	11	10.85	10.95	10.95
Eurotunnel uts	7.90	7.25	7.65	7.50
Gen. Eaux	587	579	582	582
Havas	364	351.10	357.80	361
Lafarge Cop	306.80	297.50	300	305.50
Legrand	871	851	853	873
L'Oreal	1813	1774	1787	1819
LVMH	1143	1120	1124	1143
Lyon. Eaux	459	453.60	457	461
Michelin B	262.90	259.70	261.90	260.20
Moulinex	721	721	721	721
Paribas A	325.90	322.50	324.30	327.80
Pechiney SA	215	213	214.40	212.60
Pernod Ricard	280	276.60	277.30	280.50
Peugeot Cit	592	582	588	590
Pinault-Print	1938	1905	1925	1913
Promodes	1404	1370	1387	1391
Renault	122.40	120.20	122.30	122.80
Rh-Poulenc A	144.60	138.40	140.10	144.40
Roussel-Uclaf	1195	1164	1165	1186
Sanofi	446.90	436.50	438.80	445
Schneider	244	241.20	243.50	243.40
Ste Generale	569	561	561	560
St Gobain	699	679	697	688
St Louis	1288	1266	1275	1280
Suez	208.70	206.50	207.30	209
Thomson CSF	160.70	159	160.30	160
Total B	410.60	406	410.10	410.10
UAP	108.90	105.90	108.20	108.90
Valeo	287	283	285	290

São Paulo
Bovespa Index: 66060.88 Previous: 66318.88

	High	Low	Close	Prev.
Bco Brasil Pfd	9.50	9.29	9.29	9.50
Banespa Pfd	2.60	2.53	2.60	2.60
Bradesco Pfd	8.85	8.70	8.80	8.80
Brahma Pfd	640.99	639.00	640.00	642.50
Cemig Pfd	34.00	32.70	33.90	32.75
CESP Pfd	32.35	32.00	32.35	32.30
Eletrobras B	315.00	309.00	315.00	312.00
Itaubanco Pfd	446.00	445.00	446.00	445.00
Light	332.50	332.00	332.50	332.00
Paranapan Pfd	7.30	7.10	7.20	7.20
Petrobras Pfd	121.49	119.51	119.51	122.00
Sid Nacional	21.99	21.80	21.99	22.00
Souza Cruz	6.25	6.20	6.25	6.25
Telebras Pfd	81.60	80.80	81.10	81.60
Telesp Pfd	199.50	198.51	199.50	200.00
Usiminas Pfd	1.04	1.02	1.03	1.03
CVRD Pfd	20.85	20.70	20.80	20.99

Seoul
Composite Index: 830.21 Previous: 817.78

	High	Low	Close	Prev.
Daewoo Heavy	7590	7010	7300	7250
Hyundai Eng	27800	26500	27800	26800
Hyundai Motor	29400	28000	28700	28800
Korea El Pwr	27200	26300	27100	26400
Korea Mob Tel	540000	519000	540000	519000
LG Electronics	15000	14600	14900	14600
Pohang Iron St	45800	44500	45500	45300
Samsung Elec	72400	70000	70800	71000
Samsung Hvy	11000	10700	10900	10700
Yukong	22500	22000	22300	22000

Singapore
Straits Times: 2110.57 Previous: 2125.46

	High	Low	Close	Prev.
Cerebos Pac	11.20	10.80	10.90	11.30
City Devlts	11.60	11.10	11.10	11.20
Cycle Carriage	15.50	15.30	15.30	15.40
Dairy Farm Int*	0.60	0.58	0.59	0.60
DBS	8.95	8.90	8.95	8.95
DBS Land	4.46	4.40	4.40	4.46
Fraser & Neave	14.20	13.90	14	14.30
HK Land*	2.26	2.25	2.25	2.25
Hong Leong Fin	3.40	3.40	3.40	3.40
Jard Matheson*	5.85	5.75	5.85	5.75
Jard Strategic*	3.30	3.26	3.26	3.30
Keppel	10.50	10.40	10.40	10.50
Natsteel	2.39	2.36	2.37	2.40
Neptune Orient	1.21	1.18	1.19	1.21
OCBC foreign	16.20	16	16	16.20
OSea Union Bk	6.45	6.45	6.45	6.45
Sembawang	6.60	6.55	6.60	6.60
Sing Airlines F	14.10	13.80	13.80	14
Sing Petm	1.80	1.79	1.79	1.80
Sing Press F	24	23.40	23.60	24
ST Auto F	2.98	2.98	2.98	2.98
ST Ship	1.99	1.98	1.99	1.98
Sing Telecomm	3.14	3.06	3.10	3.14
Straits Steam	4.34	4.18	4.20	4.32
Utd Industrial	1.23	1.20	1.20	1.21
Utd O'Sea Bk F	13.60	13.30	13.50	13.60
Wing Tai Hdgs	3.40	3.30	3.30	3.46

*: in U.S. dollars.

Stockholm
SX 16 Index: 2231.40 Previous: 2224.75

	High	Low	Close	Prev.
AGA BF	106.50	103	104.50	106
ABB AF	727	720	725	722
AssiDoman F	169	167	169	169.50
Astra AF	297	292.50	297	294.50
Atlas Copco AF	144.50	142	143.50	143.50
Avesta F	69	68	68.50	68.50
Electrolux BF	383.50	375	378	379.50
Ericsson BF	174.50	171.50	174	173.50
Hennes BF	894	870	894	866
Incentive AF	384	380	382	383
Investor BF	266.50	263	264	263
Kinnevik BF	191	189	189	190.50
MoDo BF	184.50	181	183.50	183
Sandvik BF	161.50	158.50	159.50	160.50
SCA BF	143	137	138	141
S-E Banken AF	58.50	57	57	58
Skandia Fors F	186	180	186	180
Skanska BF	288.50	279	283	282
SKF BF	160.50	159	160	158.50
SSAB BF	100	98	98	99.50
Stora AF	88	87	88	87
Sv Handles AF	166	160	160.50	164.50
Sydkraft AF	153	153	153	150
Trelleborg BF	89.50	88	89	89
Volvo BF	140	137	139.50	138.50

Sydney
All Ordinaries: 2323.50 Previous: 2310.70

	High	Low	Close	Prev.
Amcor	7.77	7.71	7.74	7.75
ANZ Bking	7.40	7.20	7.30	7.28
BHP	16.31	16.01	16.29	16.12
Boral	3.32	3.27	3.29	3.30
Brambles Ind.	20.80	20.27	20.70	20.40
Burns Philp	2.02	1.89	2	1.89
CBA	11.72	11.56	11.69	11.70
CC Amatil	17.85	17.30	17.78	17.38
Coles Myer	4.68	4.62	4.65	4.66
Comalco	6.74	6.65	6.65	6.74
CRA Ltd	18.98	18.70	18.84	18.85
CSR	4.47	4.38	4.47	4.41
Fosters Brew	2.37	2.29	2.36	2.31
GIO Australia	3.14	3.09	3.13	3.12
Goodman Fld	1.39	1.36	1.38	1.38
ICI Australia	12.61	12.50	12.52	12.50
John Fairfax	2.71	2.67	2.70	2.68
Lend Lease	20.50	20.27	20.45	20.40
Mayne Nickless	8.80	8.60	8.78	8.70
MIM Hdgs	1.49	1.45	1.49	1.46
Nat Aust Bank	13.50	13.24	13.48	13.35
News Corp	7.04	6.94	7	7
North Ltd	3.65	3.56	3.65	3.58
Pacific Dunlop	2.74	2.69	2.69	2.77
Pioneer Intl	3.57	3.49	3.53	3.52
Placer Pacific	1.55	1.52	1.54	1.56
Santos	5.30	5.21	5.30	5.26
Southcorp	3.79	3.68	3.70	3.75
Wesfarmers	8.15	7.98	8.03	8.04
Wstrn Mining	7.68	7.50	7.62	7.64
Westfield Tr	2.42	2.40	2.42	2.42
Westpac Bking	6.79	6.63	6.77	6.70
Woodside Pet	8.60	8.47	8.57	8.47
Woolworths	2.78	2.73	2.75	2.78

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	141.46	-0.38	-0.27	+7.27
Regional Indexes				
Asia/Pacific	127.64	+0.27	+0.21	-4.93
Europe	149.99	-0.71	-0.47	+7.77
N. America	147.66	-0.54	-0.36	+15.11
S. America	114.66	-0.46	-0.40	+28.77
Industrial Indexes				
Capital goods	155.06	-0.35	-0.23	+16.69
Consumer goods	149.68	-0.34	-0.23	+8.41
Energy	153.63	-1.23	-0.79	+13.28
Finance	120.41	-0.12	-0.10	-5.36
Miscellaneous	146.71	-0.81	-0.55	+8.03
Raw Materials	168.86	-0.43	-0.25	+19.08
Service	129.20	-0.53	-0.41	+7.67
Utilities	133.77	+0.39	+0.29	+5.21

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

Markets Closed

Stock markets in Taipei and Tokyo were closed Thursday for a holiday.

Toronto
TSE Industrials: 5433.64 Previous: 5434.13

	High	Low	Close	Prev.
Abitibi Price	18	17½	17.70	18
Air Canada	4.97	4.90	4.94	4.91
Alberta Energy	27.40	26.45	26.80	27.35
Alcan Alum	41½	40.10	40.85	40.40
Avenor A	22.60	22¼	22.40	22.60
Bk Nova Scotia	40.15	39.95	40.05	40.15
Barrick Gold	36.60	35.95	36.30	36.10
BCE	58.90	57.90	58.10	58.95
BC Telecomm	28	27.80	27.90	28
Bombardier B	20.65	20.40	20.55	20.40
Brascan A	25.55	25.10	25¼	25.65
Cameco	67.10	66	66.40	67.10
CIBC	53¼	52.80	53½	52.80
Cdn Airlines	1.79	1.74	1.74	1.80
Cdn Natl Res	32.55	31.85	32	32½
Cdn Occid Pet	24.45	23.80	23.80	24.45
Cdn Pacific	32.35	31.90	32	32.40
Cominco	28.15	28	28.10	28.20
Consumers Gas	22.85	22.65	22.85	22.95
Dofasco	21.65	21½	21.65	21.55
Domtar Ind B	9	8¾	9	9
Du Pont Cda A	33.45	33	33.35	33¾
Echo Bay Min	11.95	11.70	11.80	11.60
Empire Co. A	13.10	13.10	13.10	13.05
Falconbridge	28.10	27.70	28	27.85
Fletcher Chall A	19.55	19.40	19.45	19.40
Franco Nevada	53½	51	52.60	51¾
Guardian Cap A	10½	10.20	10½	10
Horsham	21.95	21.80	21.90	21.95
Imperial Oil	59¼	59.15	59.30	59.30
Inco	40.40	39½	39.85	39.90
IPL Energy	36.85	36.60	36.70	36.80
Laidlaw A	15¾	15.60	15¼	15¾
Laidlaw B	15¾	15½	15.70	15.55
Loewen Group	52.85	52	52.45	52.85
Ldn Insur Gp	31	30.55	30.90	31½
Macmill Bldl	18¾	18½	18.70	18.70
Magna Intl A	65.90	65	65.90	65.30
Maple Leaf Fds	9.30	9.15	9.20	9.30
Moore	25.60	25½	25.60	25½
Newbridge Net	47.20	45¾	47.20	46.15
Noranda Inc	27.30	26.90	27.15	27.35
Noranda Forest	9.05	8.85	8.90	9.05
Norcen Energy	27.15	26.85	27.10	27
Nthern Telecom	84½	83	83.60	83.20
Nova	11¾	11.60	11¾	11.85
Onex	14.60	14.35	14.35	14.70
Placer Dome	33¾	33	33½	33
Potash Sask	100.80	100.15	100.30	100
Provigo	6.15	6.15	6.15	6.20
Quebecor Print	23.05	22.80	22.85	22.80
Renaissance	42.10	41.30	41½	42.20
Rio Algom	26.35	26	26.20	26.15
Seagram Co	48¾	48	48.05	48½
Stone Consold	15.70	15¼	15.55	15.70
Talisman Eny	39.10	38½	38.60	39.15
Teleglobe	27.95	27.45	27¾	28
Telus	19.40	19.15	19.40	19.20
Thomson	25.15	25.05	25.10	25.10
TorDom Bank	29.95	29¾	29.90	30
Transalta	16.20	16.05	16.10	16.20
TransCda Pipe	22.45	22¼	22.45	22.35
Utd Dominion	27½	27.20	27½	27½
Westburne	10.10	9.95	10	10.05
Westcoast Eny	22.05	21.40	21.55	22.05
Weston	54½	54¼	54¼	54½

Vienna
ATX Index: 1072.87 Previous: 1081.21

	High	Low	Close	Prev.
Aust Airlines	1455	1455	1455	1475
Brau-Un Goess	678	658	670	668
Bund Vers Pfd	415	415	415	415
Creditanst Pfd	498	487	491.90	501.50
EA-Generali	3172.25	3100	3100	3170
EVN	1479	1456	1463.40	1470
Interunfall	1510	1510	1510	1525
Lenzing	675	674	675	679
Leykam	302	296	300	302
Mayr-Melnhof	545	536	537	540
OMV	1094.80	1072	1072	1091.50
Oest Brau	721.30	716	716	721
Oest Elektriz	735	731.50	731.50	735.20
VA Tech	1452	1431	1445.50	1448
Wienerberger	2022	2015	2021	2026

Wellington
NZSE-40 Index: 2231.71 Previous: 2258.01

	High	Low	Close	Prev.
Air N Zealand B	3.10	3.06	3.07	3.08
Brierly Invt	1.36	1.35	1.35	1.37
Carter Holt ord	3.23	3.20	3.23	3.22
Fernz	4.45	4.35	4.45	4.32
Fisher Paykel	4.92	4.90	4.90	4.92
FC Forest	2.19	2.16	2.18	2.22
Goodman Fder	1.56	1.55	1.55	1.55
Indep News	5.90	5.80	5.80	5.90
Lion Nathan	3.52	3.49	3.50	3.55
Nat Gas note	2.03	2.00	2.03	2.04
NZ Refining	27.20	27.20	27.20	27.30
Telecom NZ	6.96	6.83	6.90	7.10
Wilson Horton	11.01	11.00	11.01	11.00

Zurich
SPI Index: 2430.53 Previous: 2435.39

	High	Low	Close	Prev.
Adecco B	360	353	359	356
Alusuisse R	943	934	939	939
Ares-Serono B	1240	1228	1230	1240
Baloise Hdg R	2665	2600	2600	2640
ABB B	1558	1547	1557	1556
BK Vision	770	764	768	768
Bobst B	1675	1660	1660	1680
Ciba Geigy R	1615	1605	1611	1614
CS Holdings R	128.50	126.75	128	128.75
Elektrowatt B	497	488	497	495
Fischer B	1265	1258	1263	1264
Hilti PC	847	841	847	847
Holderbank B	908	903	906	906
Jul. Baer Hdg B	1308	1300	1308	1300
Nestle R	1402	1387	1395	1399
Oerlikon R	130	128.75	129.75	129
Pargesa Hld B	1500	1480	1490	1485
PharmaVisn B	588	568	575	587
Pirelli B	166.75	165	165	167
Roche Hdg PC	9595	9505	9530	9580
Sandoz R	1516	1506	1514	1518
SBC R	251	249.25	250	251
Schindler B	1248	1243	1243	1246
SGS B	2850	2800	2810	2850
SMH B	844	819	822	847
Sulzer R	740	733	735	735
Swiss Reins R	1370	1349	1355	1356
Swissair R	1090	1067	1079	1070
UBS B	1253	1238	1250	1243
Valora Hdg R	220	218.50	219	220
Winterthur R	779	770	771	779
Zurich Assur R	358	354	357	356

NYSE

Thursday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

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Continued on Page 18

ASIA/PACIFIC

Hopewell to Keep Up to 20% of CEPA

Compiled by Our Staff From Dispatches

HONG KONG — Hopewell Holdings Ltd. said Thursday it would retain a stake of between 12 percent and 20 percent in Consolidated Electric Power Asia Ltd., its profitable power-generation unit.

Hopewell, an infrastructure company controlled by the entrepreneur Gordon Wu, agreed to the sale of a major portion of its 60.4 percent interest in Consolidated Electric Power to Southern Co. of Atlanta in a deal valued at about 20 billion Hong Kong dollars ($2.6 billion). That announcement ended months of speculation over whether Mr. Wu would be able to cut Hopewell's debt without damaging its cash flow.

The fact that Hopewell intends to keep a sizable chunk of Consolidated Electric should reassure some analysts, who expressed concern that the company planned to sell a profitable unit. Consolidated Electric builds, owns and operates power plants in China and the Philippines and has projects under development in Pakistan and Indonesia.

Southern, a holding company with annual sales of nearly $10 billion, made a cash and stock bid for an 80 percent stake in Consolidated Electric. The deal gives Consolidated Electric a new owner with the cash to help it build its business.

Minority investors will get a 15 percent premium if they tender their shares. Southern will pay as much as $2.7 billion for control of CEPA, depending on how many shareholders choose the all-cash option.

"Given Southern's size and capital strength and its depth of experience in building and operating power plants and power-transmission networks, I see enormous potential for CEPA to expand the scope of its activities in Asia," said Mr. Wu, who will remain executive chairman of Consolidated Electric.

"Our balance sheet will be greatly strengthened by this transaction," Mr. Wu said. He added that Hopewell's debt-to-equity ratio would fall to "as low as 23 percent" from 92 percent.

Hopewell also said its net profit fell 63 percent in the year ended in June, to 769.2 million dollars. The company declared a final dividend of 3 cents a share, down from 10 cents. Consolidated Electric Power, meanwhile, said net profit rose 13 percent, to 637.8 million dollars.

Analysts said Hopewell stock, which was suspended at 4.43 dollars Tuesday, may surge when it resumes trading Friday. Consolidated Electric will become a private company by the end of the year.

(Bloomberg, Reuters, AFX)

New Patent Law Pending

Indian Drug Firms Are Facing a Shake-Up

Bloomberg Business News

BOMBAY.— Yusuf Hamied cannot have much time to read the novels of Salman Rushdie, who grew up in the colonial mansion where Mr. Hamied now lives.

The managing director of the Indian drug maker Cipla Ltd. said he had scoured as many as 400 medical journals a month for new drugs to copy so that Cipla could add more than one a month to the 130 antibiotics, asthma treatments and other drugs it made.

Cipla jumped over Ranbaxy Ltd. a year ago to become India's largest drug company. But Cipla, like many other Indian drug companies, faces a change in law that will dry up its main source of products: drugs invented and patented by foreign companies, which Cipla discovers how to make and then sells without paying royalties to the inventors.

Almost two-thirds of its 3.69 billion rupees ($104 million) in sales last year came from patented drugs. One of its leading sellers, for instance, is the antibiotic ciprofloxacin, patented by Bayer AG of Germany.

A U.S. trade association, in a report to the government, called India "one of the world's worst offenders" on patent rights" and a "haven for bulk pharmaceutical manufacturers who pirate the intellectual property of the world's pharmaceutical industry." U.S. drug companies alone, the association said, lost as much as $2 billion in sales in India last year, and the United States has complained to the World Trade Organization.

When it joined the trade organization in 1994, India pledged to protect foreign drug patents by 2005, but the United States and other countries want India to crack down sooner, and Parliament is thrashing out the issue now.

Foreign drug companies argue that they need patent protection to recoup the huge amounts they spend on developing new drugs. Even some advocates of increased efforts to seek a cure for acquired immune deficiency syndrome agree that Britain's Glaxo Wellcome PLC should have exclusive rights to its AZT treament for AIDS so it can fund further research.

Mr. Hamied likes to answer with Indian nationalism. Without competition to keep drug prices low, he says, foreign drug makers will gouge India's millions of poor people.

"My father set up the company with the objective of providing valuable life-saving drugs to the common man for a reasonable price," he said. "We're not averse to patents. But for drugs to be made available to the common man, you can't afford a monopoly."

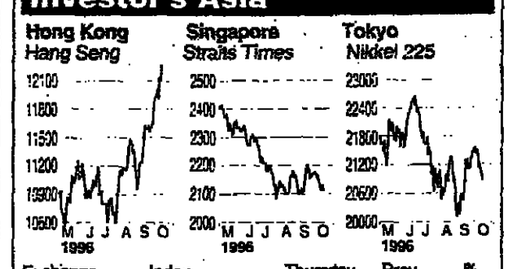
The company will not even recoup the $1 million it spent copying AZT, Mr. Hamied says.

The patents on most of the drugs Cipla copies will expire before 2005. But if the company wants to keep coming up with new drugs, it will have to rely on its own scientists eventually or form partnerships with other drug companies.

Nishid Shah, an analyst for Motilal Oswal Securities Ltd., said sales were likely to reach 10 billion rupees by 2001, so Cipla will have the cash to finance original research.

Even with the patent laws looming, Cipla's stock has outperformed the market by more than 25 percent in the past year. It was quoted Thursday at 387.50 rupees a share, up 22. Cipla's sales are growing at twice the industry average of 15 percent a year, and its market share has risen to 4.2 percent from about 3.8 percent a year ago.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	12,242.47	12,250.57	-0.07
Singapore	Straits Times	2,110.57	2,135.46	-1.17
Sydney	All Ordinaries	2,323.50	2,310.70	+0.55
Tokyo	Nikkei 225	Closed	20,870.83	-
Kuala Lumpur	Composite	1,138.92	1,140.92	-0.18
Bangkok	SET	933.00	949.44	-1.73
Seoul	Composite Index	830.21	817.78	+1.52
Taipei	Stock Market Index	Closed	6,587.86	-
Manila	PSE	3,002.35	3,026.24	-0.79
Jakarta	Composite Index	567.93	566.32	+0.28
Wellington	NZSE-40	2,231.71	2,258.01	-1.16
Bombay	Sensitive Index	3,128.34	3,037.63	+2.92

Source: Telekurs International Herald Tribune

Very briefly:

• **TNT Ltd.**, an Australian transportation company, formally recommended that shareholders accept a bid of 2 billion Australian dollars ($1.58 billion) for it from **Koninklijke PTT** of the Netherlands; **Bankers Trust Australia**, which holds almost 20 percent of TNT, denied that it had rejected the bid.

• **John Fairfax Holdings Ltd.**, an Australian newspaper publisher, had a flat first quarter and expects similar conditions for the rest of 1996-97 because of the slow economy and its impact on advertising volume.

• **The Securities Supervisory Board** of South Korea will allow foreign investors to buy an additional 1.75 percent stake in **Shinhan Bank** and a further 17.97 percent in **Samyang Merchant Banking Corp.**

• **People's Bank of China** ordered banks to stop making loans to car buyers because of "fear of chaos" in the industry, the official China Business News reported.

• **Escorts Yamaha Motor Ltd.**, a joint venture between Escorts of India and Japan's Yamaha Motor Co., plans to invest 5.25 billion rupees ($147 million) to upgrade motorcycle-making facilities and set up a plant near New Delhi.

• **China Aircraft Services Ltd.**, jointly owned by British Airways PLC, Hutchison Whampoa (China) Ltd., China National Aviation Corp. and United Airlines, will provide line maintenance services at the new airport in Hong Kong.

• **Malaysian Airline System** expects to be among the first customers for Boeing Co.'s new 747-600 "super jumbo" jets.

Reuters, AFX, Bloomberg

Deutsche Telekom Beats Rivals to Asia's Potentially Rich Markets

Bloomberg Business News

MANILA — With three new partnerships in Southeast Asia, Deutsche Telekom AG has jumped ahead of rivals who hope to tap into the region's booming telecommunications markets, analysts said Thursday.

This week, the company said it would spend about $600 million for 21 percent of Technology Resources Industries Bhd., the leading cellular-phone company in Malaysia, with about 700,000 customers and about two-thirds of the market share.

Including this deal, Deutsche Telekom has invested $1.5 billion in Indonesian, Malaysian and Philippine companies since March 1995, a thrust that has given it access to almost 300 million people with rising incomes and few phones.

"They have been the most aggressive in the region," said David Gibbons, a regional telecommunications analyst at HSBC James Capel in Hong Kong.

Deutsche Telekom's push into Asia's recently liberalized phone markets comes as Germany prepares to sell 20 percent of the state-owned company in Europe's largest public offering this year. The sale, beginning next month, will generate about $7.65 billion.

"They are all looking at increasing liberalization and competition at home," Mr. Gibbons said, "so they have been forced to consider new strategic investments."

Deutsche Telekom bought 25 percent of Indonesia's PT Satelindo for $676 million in March 1995. PT Satelindo generates about 60 percent of its revenue from its mobile-phone service and competes with state-owned PT Indosat for international calls.

In Malaysia and the Philippines, Deutsche Telekom pursued a similar strategy of teaming up with a challenger to the dominant telephone company.

Deutsche Telekom is also set to formalize its purchase of 35 percent of the Philippines' Isla Communications Inc. for $243 million on Oct. 29. The company will own 10 percent of Isla directly and the rest through its purchase of a stake in Asiacom Philippines Inc., Isla's parent company.

In all three countries, Deutsche Telekom is betting that economic growth of at least 7 percent, a dearth of phones and liberalized rules on foreign participation in the telecommunications industry will mean rising revenue for years to come.

But even if Telekom expands further in the region, Southeast Asia is likely to remain a small part of its total investments. "It's not chicken feed, but it's hardly betting the farm," said Mr. Gibbons of HSBC James Capel.

BEARS: *Rally Gives Market-Timers a Nasty Case of Whiplash*

Continued from Page 13

diction. But Mr. Wien never got his 1,000 points, and even as the market rebounded in August he stayed bearish. Last week he threw in the proverbial towel before the market hanged him with it.

Many bullish analysts, of course, can hardly hide their glee that July's sellers had it so wrong. Richard Eakle, who now writes the Eakle Report market newsletter out of Fair Haven, New Jersey, and is a former colleague of Mr. Wien's, was virtually pounding the table for stocks on July 17, arguing that the market was showing all of the signs of a classic "selling climax": the end of a downturn, not the beginning of a deeper one.

Record trading volume on July 16, and the Dow's wild swing that day — a 167-point drop early in the day, then a rebound to finish with a 9-point gain — suggested a "significant bottom" had been reached, Mr. Eakle wrote on July 17.

"I knew my former colleagues" at Morgan Stanley "would be proven wrong," Mr. Eakle now says proudly.

The bears, for the most part, are suitably humbled. Some are reworking their market "models," trying to understand why stocks have again confounded indicators that have historically suggested we are overdue for a prolonged sell-off, something worse than the 7.5 percent slide in the Dow from its May high to its July 23 closing low.

But others insist they are not trying to outguess the market, just insure against calamity.

Timing services such as Fabian's get clients out of stocks automatically when the market has begun a meaningful decline, usually somewhere between a 5 percent and 10 percent drop. These services also get clients back in again when the market moves up by a given amount.

The timing services say the function they perform is saving people from horrendous losses, even if they miss part of the market's gains when it resumes climbing. Mark Hulbert, whose Hulbert Financial Digest tracks the advice given in investment newsletters, said only 20 percent of timing services had been able to beat just buying and holding stocks for the long run.

The question, however, is how many investors would be able to temporarily lose nearly 50 percent of their stocks' value — as in the bear market of 1973-74 — and still hold on.

"You know you're going to be whipsawed" with timing services, Mr. Hulbert said. "But it's the price you pay to miss really terrible declines."

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DIVIDEND NOTICE

At the Annual General Meeting held on September 24, 1996, it was decided to pay a dividend of USD 0.24 (cents) per share on or after October 23, 1996 to shareholders of record on October 1, 1996 and to holders of bearer shares upon presentation of coupon no. 22.

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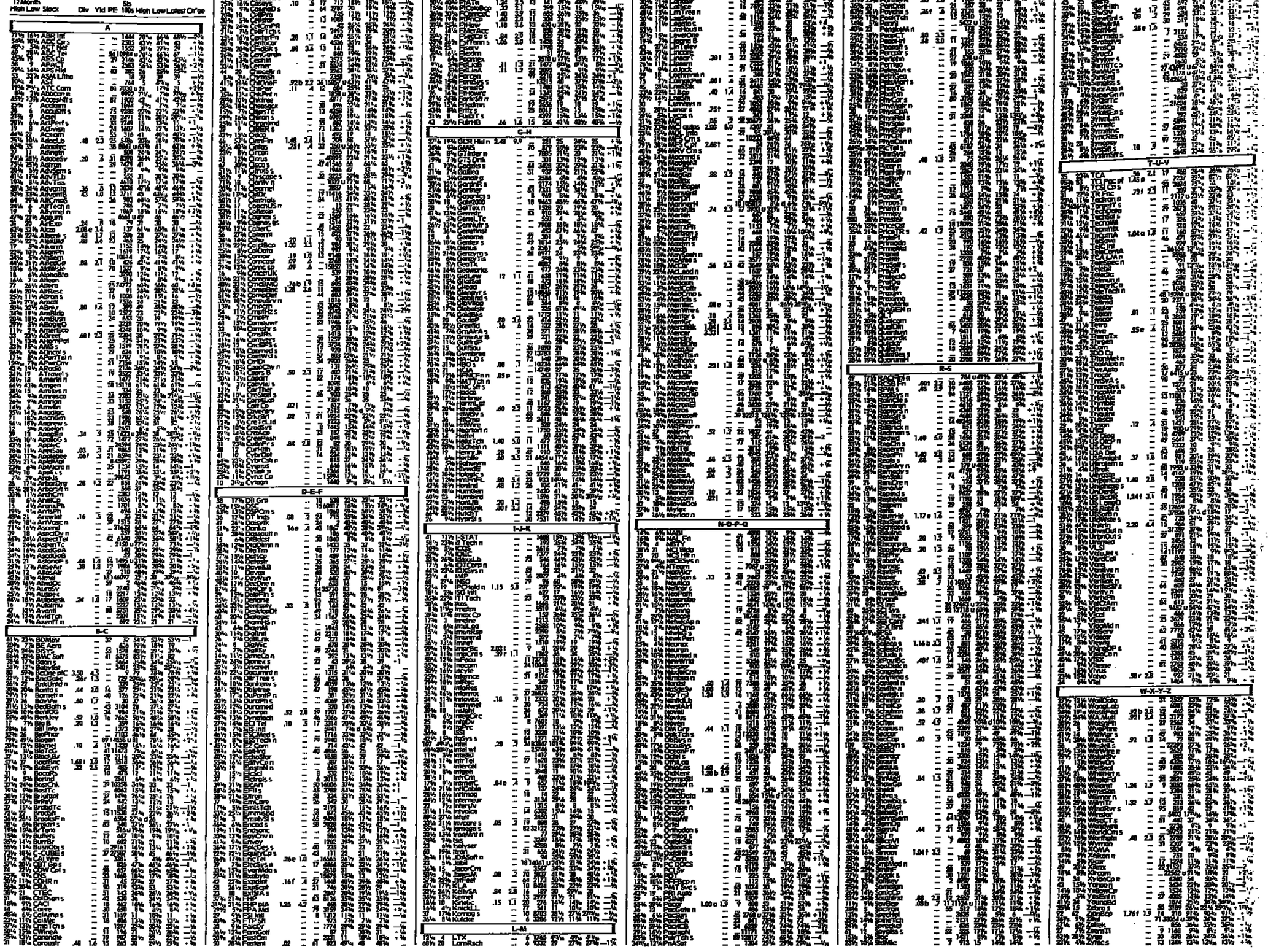

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Part I

Fashion

Out of Africa: Lacroix's Audacious Mix

Moore/Thomas

Ann Demeulemeester's toga dress.

By Suzy Menkes

PARIS — Mixing the tribal and the tender, savage African prints and sweet boudoir lace, Christian Lacroix pulled off an audacious collection. The show's stampeding creativity and artistic colors lit up the spring summer season on Thursday. And Lacroix did it by being true to himself.

The designer's multi-screen vision retrieves images from different centuries and cultures — a curvy 18th-century jacket in sky-blue silk or out-of-Africa embroideries — and manipulates them together. The result is not so much a patchwork, although the human hand is evident in artistic paint-stroke patterns and decorative details, as a landscape.

From the start of his house 10 years ago, Lacroix country has been about color, pattern and references to things past and present. It has been peopled by a coquettish woman with a bold spirit.

But this season her pampered-Parisian suits were banished in favor of separate pieces that were light in fabric and feeling: a yellow suede top above a Niagara Falls of watery chiffon ruffles, a djellaba sashed at the hips, a printed scarf dress, an ivory silk coat over pants or Lacroix's signature patchwork tweed coat over cropped pants. (Those recurring culottes looked weird.)

Through the collection ran the tom-tom beat of African color and pattern — the same zigzags and bark-print as on the backcloth. The shades were dusty, spicy or the blue of a far horizon and the coral of a sulfurous sunset. Frizzed-out hair and accessories like tribal-print shawls, scarab-bright necklaces and bags with ethnic decoration reinforced the African message.

Lacroix's multi-colored and textured knits and the vibrantly colored hose seemed a bit much. Yet the designer also introduced moments of calm and charm, doing evening wear primarily in black and white with a sudden jungle growth of scarlet flowers. A heart-shaped lace bodice above a peach lingerie dress was quintessential Lacroix.

So were the creative curiosities. (Read flops). And the lyrical successes. But all came from an authentic design spirit. And in an international season when trends and stylists make the news, Lacroix showed what a Paris fashion show should be about.

Elsewhere, the idea of a show that expresses a point of view, rather than just parading clothes, has got out of hand. It reached its zenith (or maybe its zen) at Ann Demeulemeester's show on Wednesday, when a model with hair like an unmade bed walked through a dank warehouse at 9:30 at night with her fresh white cotton shirt pulled off one shoulder.

She was followed by another, and another, and so ad infinitum for every sharply tailored jacket, cuddle-me sweater and the poetic toga-style dresses. What a thing to do to such nice, simple, desirable-looking clothes!

And what was it all about? Female fragility? Giving mannish suits the cold shoulder? Well not that, because androgyny ruled the runway and when a normal trouser suit finally came out showing the cut of the low-slung pants, the jacket peeled off to reveal bare breasts and a necktie flattened under a transparent stretch top.

So much symbolism. So inscrutably original. So cool. So what?

Only on the planet called fashion could it be deemed smart to show well-made, well-proportioned modern clothes so that the wearer looks really weird. Or smart not to show half the clothes you make.

Demeulemeester's lopsided show was preceded by Rifat Ozbek's transparent one. That meant clothes that were entirely in black and almost all see-through. As you watched the relentless parade of black (and this was a summer collection) and on-view underpants, you were supposed to envisage that back in the showroom there might be a rainbow of colors and a gamut of garments like Ozbek's masterly tailored jackets.

Many of the dresses created black magic, with ruffles piped across the front or a sheer-and-solid patchwork of fabrics. An African theme also pulsated through this collection, mixed with innocent pearl chains at neck and knees. Featherlight cardigans tied over silk jersey dresses replaced the missing jackets.

The stylist, extracting what is cool and ruthlessly suppressing the rest, is the driving force of 1990s fashion. And shows are now divided between those that are a symbiotic relationship between designers, models and makeup artists, hairstylists and editors (all performing for each other); and those shows that aim to please and to sell.

Ocimar Versolato's show was the kind that a conventional upscale client would understand. He has a way with a drape and makes a dress for a diva — the kind who can spread her winged chiffon sleeves and miss the mayonnaise. Parma violet satin palazzo pants with a lavender chiffon kimono jacket was perfect for the grand entrance. And a bare-back halter dress with pants slit to the back of the knees would make a great exit line.

The tiny sweaters in sugared-almond colors that spilled over the runway at Sonia Rykiel showed that she had something to celebrate: 6,000 sweater designs since she set up her business in 1968.

Out they came, with stripes, in mesh, leopard-patterned with matching hot pants and woven with a single flower — with a knitted flower cheekily pinned on the rear. With her knits, Rykiel has hit gold, or rather, this season, bronze, for a skinny lurex dress, and silver for sparkly evening knits. And because knits are currently hot, this is again Rykiel's fashion moment.

SUZY MENKES is fashion editor of the International Herald Tribune.

Moore/Thomas

An asymmetric printed scarf dress designed by Christian Lacroix.

France Is Style, America Is Just Beauty

By Katherine Knorr

PARIS — As everyone knows, nations are over, just like history. This is the age of the world brand, the international consumer, fashion on the Web hitting every part of the Earth, street style in the global village.

No more quaint little habits or local costumes. From the day that running shoes and baseball caps, those great American freak trends, hit the world, it was curtains for Parisian style. The world is one big shopping street, right?

Wrong. Through all its ups and downs, mostly downs these days, and despite the Americanization of shopping (through malls), food (fast) and sportswear, France — and specifically Parisian women — have remained a beacon of style. This is something that goes quite beyond fashion. It's almost anti-fashion.

What visitor to the city hasn't been surprised, wandering around a food market, in the shadow of church spires, to see elegant gray-haired women in suits and pearls and pumps pulling shopping caddies? The quiet elegance of the classic French housewife — many of whom would never wear slacks — marries quite naturally with the sometimes outrageous sense of style you see in French girls. Is it nature or nurture? Probably a bit of both. Just as French cuisine, which at its best remains unequaled in the world, looks back to the past and inward to the French *terroir*, the quiet, understated style of elegant French women is as steeped in history as the cathedrals and the palaces.

The topic of beauty and elegance is not a frivolous one. It reflects, like a big old-fashioned looking glass, the New World-Old World relationship, a mixture of fascination and revulsion that was so clear in Henry James or Edith Wharton. Although things have evolved since their novels were written, the underlying difference has remained: Europe is exquisitely decadent, America young, brash and very effective.

Today, however, Americans see Europe as decadent not because of its less-than-puritan mores or its artists or its smoky nightlife, all of which seem to have vanished with the central market in Les Halles, but because of its social welfare system, the laws that protect its small businesses and so on. No longer is Europe the rake and America the ingenue; now Europe is the bloated bourgeois, the complacent, irrelevant aristocrat, and America the lean-mean fighting machine.

When you look more closely at ideas about beauty and style, however, the contrast is not much different than it was portrayed by James and Wharton, who were famously expatriate. Outside of

COMMENTARY

New York (which significant numbers Americans say isn't in the United States at all) and specifically the art and fashion crowd, canons of American beauty have changed very little. The American rose is big, healthy, not necessarily innocent but certainly not cynical. In two words: Christie Brinkley.

The French woman does not see herself diminished if she isn't born beautiful in some classical way. Style makes a woman stunning, whereas beauty alone can be insipid.

European ideas of beauty rely on a kind of healthy narcissism that makes the out of the ordinary beautiful, what the French often call a *jolie-laide*. There are countless stories of aspiring American fashion models who were considered ugly in New York and stunning in Europe.

When Proust became obsessed with getting right the details of clothes that one or another of the women he used as models had worn, he was looking for the essence of those women, in their style. In his masterpiece, "In Remembrance of Things Past," the Princesse des Laumes, who later becomes Duchesse de Guermantes, is not from his description a classically pretty woman. And yet she represents his ideal of style.

Clothes make the woman, and there French and American attitudes are diametrically opposed. Elegant French women dress in a way that subtly says who they are but not how much money they have. Their way of dressing cannot be separated from a certain general culture, from the architecture of the cities in which they live, from the complex evolution of social classes in France. When they dress down, for the country for example, they don't fundamentally change the way they look; their style is not tied to a situation, it is all of a piece.

For Americans, clothes are tribal; they are, indeed, weaponry. This is very obvious in clothes inspired by street fashions in American ghettoes — and it's significant that the French, when they try to get into street culture, musically or fashionably, never find any of their own; they imitate Americans.

There are subtler ways in which Americans wear clothes as weapons, and none more evident than in how women have dressed over the years in the professional workplace, where a traditional American suspicion of "designed" clothes (sort of foreign, aren't they?) is particularly powerful. There was the gray mouse of the late 1970s, trying hard to be the woman in the gray flannel suit. Later, in the 1980s, the boxy-shouldered power suit (call it the empowerment suit), in bright colors, was a uniform with attitude. It said, a little prematurely, "Boys, you're history."

Today's equivalent is evidence that much of the battle has been won: the fashionably dowdy look, with a spot of color in a long, soft jacket or sweater-jacket, and a scarf that isn't trying to be a tie, says, "I am a woman, perhaps a wife and mother, but don't underestimate me. While you play golf, I'm reading company reports. I am a very serious person."

Nonworking women, and particularly trophy wives, also wear clothes as weapons: Big hair, shoes in colors that match dresses, all of these signals say, "I am married to a rich man."

And, what the hell, when it comes to real flash, Americans win hands down. American beauty is flashy, sassy, commercial, big buildings, Rita Hayworth, Hollywood.

"Look at the Oscars in America and the Cesars in France," the French actress Anouk Aimee told this reporter a while ago. "We are supposed to represent French elegance. I have rarely seen women as badly dressed as on the Cesars, whereas at the Oscars the women are far more elegant. So maybe the French just don't have the same sense of le show."

KATHERINE KNORR is a deputy editor of the International Herald Tribune.

On Catwalks: Black, Male and Muscular

By Robin Givhan

WASHINGTON — It's too early, and perhaps too optimistic, to say that black men are defining this fashion moment's standard of masculine beauty. But black male models have risen in prominence on the runway and in advertising.

They have moved from near invisibility into the spotlight.

This is even more noticeable against the stark backdrop of the womenswear runway, which last season, particularly in New York, was ruled by blondes. Black women had made an abrupt departure from the catwalk. The advertising campaigns for the fall collections now in stores are awash in blondness.

For men, it is a different story.

In the magazine advertisement for Guess?, the young black model stands with his back toward the reader. His head is cocked so that he can offer up a sly sideways glance to draw the reader into the sultry fantasy that he has been hired to sell.

During the spring '97 menswear shows in New York, the designer John Bartlett's catwalk was heavy with muscular black men. One of them, who has the mildly recognizable face of a model who has been working professionally for about two years, remembers that hot July day well. The model, Flynn, realized that he had never been lined up backstage, waiting to walk out onto a runway, and looked around to find himself in the company of other black models. For him, it was a remarkable occasion.

A photograph of the designer Ralph Lauren flanked by black models during his menswear presentation that same month erupted into a buzz about how "hot" black men had become. One of Black Entertainment Television's cable chat shows was dedicated to discussing the popularity of black male models.

Fashion fans, both black and white know, the name of the Polo mannequin Tyson Beckford, the Naomi Campbell of the male modeling business. His strong presence in advertising from Lauren, a Seventh Avenue powerhouse, has cracked open the door for other handsome, chiseled, young black men.

Hip-hop performers such as Treach of Naughty By Nature and Coolio have walked the runway, generously lending designer clothes an element of cool that silhouettes and colors alone never could. And this month, Vogue magazine includes a photo spread of Campbell and "friends" communing with nature and wearing expensive tweeds. Her chums include several young and older black men who uncharacteristically appeared in the foreground of the pictures and not in the background as props.

And as the New York-based fashion photographer Maria Valentino sifted

Continued on Page 23

CHANEL

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Sotheby's

Christian Dior sketches, from 1947 to 1950, from Marc Bohan's collection at a Sotheby's London sale on Nov. 7.

Q&A: A Vintage Clothes Connoisseur

Thrift-shop chic is a fashion way of life in the 1990s. From London's Portobello Road to the Clignancourt flea market in Paris to 26th Street in New York, fashion folk search for authentic Chanel haute couture or Vivienne Westwood Punk. Designers take references from the past, and an interest in retro clothing has even relaunched dormant houses like Halston, Missoni and Pucci. Hamish Bowles, European editor of American Vogue and a passionate collector of vintage clothing, gives Suzy Menkes the lowdown on second-hand clothes.

Q. Why are you interested in antique clothing?

A. Clothing is the most evocative element of the social fabric and I am fascinated by the art, craft and technique of couture — a 1930s Vionnet dress that looks like nothing in the hand, is so intricate inside; and such skill and patience was required for the layers of underpinnings in Dior and Balmain dresses from the 1950s.

Q. Do you buy only couture or also ready-to-wear?

A. I am interested in haute couture from the turn of the century right up to the 1990s. In ready-to-wear I would look for Ossie Clark, Bill Gibb and Halston from the 1960s and 1970s because their work encapsulated a fashion moment.

Q. Should people wear antique clothes?

A. I am not in the wearable market, so I just look for one stellar collector's piece. I don't think you should wear something too precious, rare or fragile. I would suggest buying to wear Karl Lagerfeld's early work at Chloe and British designers John Bates and Ossie Clark. Or Marc Bohan's tailoring and all the wonderful pants suits he did at Dior.

Q. Is it true that well-known designers get inspiration from retro clothing?

A. You bump into Dolce & Gabbana at Portobello and Anna Sui and all the models in Virginia at London's Clarendon Cross. I know that scouts from Prada and other designers go to the flea markets. I once got out at the wrong floor of a Seventh Avenue designer and found myself in an entire room of vintage pieces. I see a lot of influence in collections: 1940s Mainbocher at Armani, Victorian jet beading at Donna Karan, and Ralph Lauren relies heavily on reinterpreting vintage details like a uniform cuff.

Q. Have you ever recognized total vintage looks on the runways?

A. I saw a 1960s Norman Hartnell coat that I have in my collection pop up at Prada.

Q. How does a retro trend start?

A. There are buzzwords, designers names or key things dealers go for. Last year it was quintessential 1960s Courreges — structured clothes. Right now it is anything bias-cut, drifty and romantic and antique ethnic things like Chinese robes.

Q. Where can you find real second-hand bargains?

A. The best place to look is on stalls at upscale charity benefits when the ladies have cleared out their closets. In New York, you find great 1980s and 1990s couture outfits from Saint Laurent, Ungaro and Valentino in the resale charity shops in Manhattan.

Q. What is the must-find of the moment?

A. Halston ultrasuede.

Hamish Bowles' Shopping Guide

LONDON

The Gallery of Antique Costumes and Textiles, 2 Church St. NW8. Tel. 171 723 9981.

Cornucopia, 12 Upper Tachbrook Street, SW1, for wearable vintage clothes. Tel. 171 828 5752.

Steinberg and Tolkein, 193 Kings Road, SW3, for haute couture. Tel. 171 376 3660.

Vent, 59 Ledbury Road, W11, for Ossie Clark and '70s Prada-esque clothes.

Virginia, 98 Portland Road, W11, for 1920s fringed dresses and 1930s chiffon. Tel. 171 727 9908.

Antique clothing sales at Bonhams, Christies South Kensingon, Phillips and Sotheby's.

PARIS

Francoise Auguet's haute couture auction sales and her Ragtime shop at 23 Rue du Roule, 75001. Tel. 42 36 89 36.

The Clignancourt flea market on the weekend for textiles.

Didier Ludot vintage clothing, Jardins du Palais Royal, 24 Galerie Montpensier, 75001. Tel. 42 96 06 56.

Auctions at Drouot Richelieu 15 Avenue Montaigne, 75008. Tel. 48 00 20 80.

NEW YORK

William Doyle Galleries sales, 175 East 87th Street. Tel. 427 2730.

The Irvington Thrift Shop, 1534 Second Avenue. Tel. 879 4555.

Spence-Chapin thrift store, 1430 Third Avenue. Tel. 737 8448.

Fortuny Fabrics Once Again in Vogue

By Roderick Conway Morris

VENICE — The dramatic revival of interest in Fortuny fabrics has been one of the surprise fashion trends of recent years. And when one looks at the career of Fortuny himself and the vicissitudes of his enterprise, it is little short of miraculous that these sumptuous textiles with their complex and multifarious designs are still being manufactured today.

Mariano Fortuny y Madrazo was born into a dynasty of Spanish painters in Granada in 1871, but spent most of his life in Venice. His father Mariano Fortuny y Marsal, who is regarded in Spain as one of the country's most outstanding 19th-century artists, died when he was 36 of malaria in Naples when his son was three. After a spell in Paris, Fortuny's widow settled with Mariano and his sister in Venice in 1889, and devoted the rest of her life to cherishing her husband's memory and encouraging her son to follow in his footsteps.

Fortuny was a paradoxical figure. He resolutely turned his back on every innovative artistic movement that emerged during his lifetime, including Impressionism, but was much engaged by new technology. He said he "always considered painting to be my profession." Yet, he was a pioneer photographer, made major advances in electric stage lighting and patented a score of inventions, among them a machine for pleating silk on heated ceramic cylinders, which he used to create his celebrated Grecian-style "Delphos" dresses.

Fascinated by his father's large collection of antique and oriental fabrics, Fortuny's eclectic tastes led him also to study patterns from the even more remote cultures of Africa, Central America and Polynesia. Overshadowed perhaps by his father's towering reputation as a painter, he began to invest more of his creative energies in his own textile designs, which he produced after he found his own quarters in the 15th-century Palazzo Pesaro degli Orfei in 1899. The palace is now the Fortuny Museum and is closed for restoration.

After the arrival in Venice in 1902 of what was to be his lifelong companion, Henriette Negrin — a pretty young French divorcee of whom Fortuny's mother thoroughly disappoved, but who was a highly skilled dressmaker — the artist made clothes as well.

These small-scale manufacturing operations, which were extended when Fortuny established a factory on the island of Giudecca in 1922, more or less sustained the Fortunys and their other varied artistic ventures until his death in 1949.

At this point the Fortuny business would undoubtedly have folded but for Elsie Lee McNeill, a person in her own way as remarkable as the artist himself. A New York interior designer, she had founded Fortuny Inc. in 1927 to import the fabrics and dresses (and along with her husband and business partner, Humphrey, had rescued the Giudecca factory from receivership during the Depression). By a bizarre twist of fate, on the eve of their hurried departure for Venice to comfort Henriette, Humphrey was killed in a car crash.

Despite now finding herself in the same state as Madame Fortuny, Elsie McNeill sold her Italian villa and bought the company. Later she married Count Gozzi, the last male descendant of the 18th-century author of "Turandot" and "The Love for Three Oranges." The countess continued to work full-time at the Giudecca factory and its offices until she was well over 100 years old. She died in April 1994.

The countess had, meanwhile, recruited Atalanta Bouboulis, who had been a university lecturer in Japan. She is now adminstrator and manager of Fortuny Sp.A, the company set up by Maged F. Riad, the countess's lawyer, to assure the future of the Giudecca factory after her death.

"Although the business had kept working, and we still had a number of loyal clients who went on buying the fabrics, by the 1960s Fortuny's name had been all-but forgotten," said Bouboulis in her apartment on Giudecca near the factory (which has traditionally been out of bounds to visitors and is shrouded in secrecy).

"Then in the 1980s there was a sudden explosion of interest again in Fortuny and his fabrics, thanks in large part to an exhibition in Lyon that went on to London and America, and a book about Fortuny by Guillermo de Osma. In fact, after that it became quite crazy for a while, and we had so many orders we had to start turning them down," said Bouboulis.

"Things have calmed down a bit, but our delivery times are legendary. I'm ashamed to say. At one stage they reached two years, but we've recently managed to get them down to about four months."

The factory, which employs 30 people, now sells about 24,000 meters (79,000 feet) of two kinds of cotton fabric, Maco and the slightly heavier Serge, annually.

"We use exactly the same methods as Fortuny did, first printing the fabrics by a photographic process he developed, which is a bit like lithography, and then painting them, using the 'Renaissance' system of building up layer upon layer of color. We still mix all our own colors, using mineral and organic ingredients according to Fortuny's formulas. About 80 percent of the work is done by hand," said Bouboulis.

"We have a very good archive and over 800 Fortuny designs. Of these we do about 40 different ones a year, of which around 25 are regular favorites, such as Carnavalet, Lucrezia, De Medici, Glicine, Granada and Moresco, and others that gradually change over the years according to taste. We do everything to order, and once we accept an order we do a run of 500 meters (the material is 1.5 meters wide), though, of course, the client can take any quantity they want. Whatever's left, we put aside and do the final touching for only when we receive further orders."

"These fabrics are intended for wall hangings and furnishings. People do make clothes, bags and even shoes out of them, but we don't advise it. If you stretch them on wooden frames as wall coverings, and vacuum them regularly they will last a lifetime and more. We have representatives in England, France, Germany, Holland, Belgium, South Africa and Hong Kong, and Fortuny Inc. still exists in the United States. We have only three representatives in Italy, and Trois here in Venice, for example, sells all the fabrics retail for 350,000 lire (about $240) a meter."

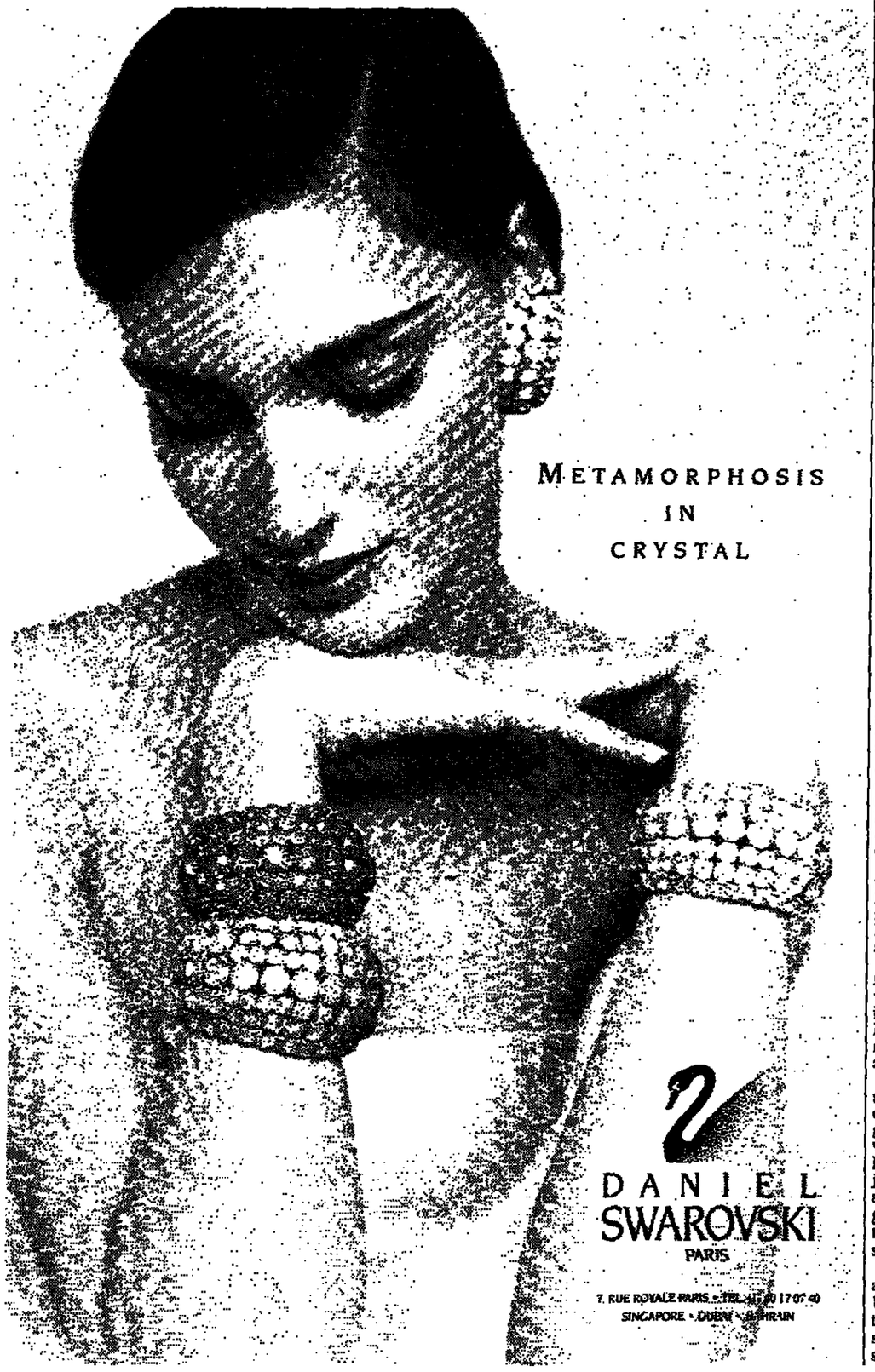
THE principal reason that Fortuny no longer makes the artist's clothes is that he did not want them to to be done after his wife Henriette's death. So the clothes were discontinued after her death in 1965. The last Delphos dresses were being made as long ago as 1952.

"I think Fortuny placed limits on the making of the clothes also because he already found it very difficult to find materials of sufficient quality, and he anticipated that it might eventually become impossible to obtain some of them. The pleats in the silk of the Delphos dresses were done at extremely high temperatures, and he realized that if you could no longer find material of the purity of the incredibly fine Japanese silk he used, the process wouldn't work," Bouboulis added.

"While the countess was still alive and working, people didn't dare make copies, but there are a lot now. So far, however, they've never come close to the originals. Because the point is the materials we use are very expensive and there's so much hand-working that they're very costly to make. People who are only interested in making money are simply not prepared to put in the time, the work and the money needed to make the kind of fabrics we do," she said.

"Ironically, all these imitations have actually given us quite a lot of publicity, because when people see them many are stimulated to go in search of the real thing and become extremely interested in genuine Fortuny products."

RODERICK CONWAY MORRIS is a journalist based in Venice.



The Grooming of Belgium's Designers

By Brigid Grauman

BRUSSELS — The fashion department of the Antwerp Art Academy has vacated the large 19th-century former school in which it was housed. "We were very excited when we first moved in," says Linda Loppa, the department's director. "But then the dampness started to get to us — the doors that didn't close."

For the next three years, the students of one of Europe's most innovative fashion schools will work elsewhere, while the red brick building is restored to a state worthy of its occupants.

If, to many a glib foreigner, "Belgian" means boring and bourgeois, this is the country that has been introducing some of the most innovative names in international fashion. That is no mean feat for a debt-ridden, scandal-shaken, linguistically divided land of 10 million.

Antwerp is today one of Europe's leading fashion centers. Dries Van Noten's vaguely ethnic outfits, with their misleading thrift-shop look, are worn by the in-people of Europe and the United States; Ann Demeulemeester continues to develop her much admired, detail-perfect, avant-garde reinterpretations of the classics, while Walter Van Beirendonk has become a favorite among the young with his slogan-covered clothes.

Students have to design yearly collections and find the manufacturers to produce them. The work rhythm is grueling.

All three are mid-1980s graduates of the Antwerp Art Academy under Loppa's tutelage. Of the five who remain of the famous Antwerp Six, Dirk Bikkembergs and Dirk Van Saene are also still going strong.

Indeed, many Belgian designers are favorites of the fashion professionals, who seek out their work for cutting-edge ideas. A seventh Antwerper, Martin Margiela, who is based in Paris, enjoys much prestige on the borders of fashion and conceptual art.

When the Flemings hit the fashion scene a decade ago, Belgian designers on both sides of the Dutch-French language divide swam successfully in their wake. The country now boasts some of Europe's most interesting makers of jewelry, hats, shoes and handbags in addition to clothes designers, with original ideas and loads of energy as well as technical know-how and marketing skills.

This wave of talent was unleashed by a government initiative in the early 1980s called the Textiles Plan. A national institute run by fashion professionals, it provided students with office space, financial incentives and contacts with manufacturers. It also yielded a glossy publication to show their work, sponsorship deals so they could take part in the Paris shows and a prestigious Belgian contest, the Golden Spindle. A young generation of designers was suddenly able to show to fashion experts and the general public.

The Textiles Plan is long dead, but it has given successive generations of students a healthy dose of self-confidence.

They have seen the clothes of Van Noten and the others fought over by top buyers from New York to Tokyo, and they know that as Belgians they have a foot in the door of all the best shops. But they also know that besides talent they need drive and a willingness to work arduous hours.

Loppa, always in black, with short black hair and bright red lipstick, makes her students work hard from day one. "Day and night," she says.

That is a boast shared by her French-speaking colleague in Brussels, Franc'Pairon — in similar dark clothes, short gray hair and crimson lipstick. Franc'Pairon, who goes only by that name, runs the younger, smaller — 50 students as opposed to Antwerp's 100 — but equally successful fashion department at La Cambre school of design and architecture in the Belgian capital. (Ghent also offers first-rate teaching.)

An outfit by Eric Beauduin, a graduate of La Cambre school.

If the Antwerp school is wilder and more iconoclastic than the one in Brussels, these two formidable women share much the same ideas and circumstances. Both are convinced that fashion has a great deal to say about contemporary society and art. But they both also have to work with small state allowances and are eager to find private sponsors for commercial projects.

Loppa is currently running a competition for a watch design for the Japanese company Temca.

What the Antwerp school has always encouraged above all else is creativity. "We start at once with very experimental work," says Loppa. "We're looking for shapes, not fashion." Her students, she says, tend to be misfits in search of personality. "They're so busy they don't have time to be depressed."

The students have to design yearly collections and find the manufacturers to produce them. The work rhythm is grueling, and by the time they have finished, most of them are ready for the business world.

In Brussels, Franc'Pairon believes that the first two years of a student's training need to focus on "learning how to build a garment." Then she worries about nurturing individual talents. Students have to travel every year, with spells in other European schools or work with designers.

EVERY year, both schools hold spectacular fashion parades to show off their graduates' work. Antwerp launched it all, erecting its catwalks on rough dockland sites and warehouses — the wilder the place, the better. Brussels followed suit. Models parade in plastic, metal, fur — whatever has caught the designers' imagination. But however eccentric the clothes, this is serious stuff and attracts international juries of journalists, designers and buyers who come to spot new talent.

Most Belgian graduates then head straight for international competitions like the festival for young European designers at Hyeres in southern France, where they have been scooping up the prizes.

Not all start their own lines. Many join some of the bigger ready-to-wear companies in Belgium or abroad. Still others go to work for top designers like Vivienne Westwood or John Galliano. Significantly, all of them find jobs. As Loppa says, "All fashion collections today are 'designed.'"

What the fashion schools of Belgium have contributed especially is a single-minded emphasis on creativity.

"Of course you can learn on the job," says Franc'Pairon, "but the role of the school is to stimulate self-expression. Studies are a sacred time, a framework within which students can experiment without restraint. They have plenty of time later to learn about the real world."

BRIGID GRAUMAN is a journalist based in Brussels.

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Inside Fashion

A Marks & Spencer store with its Chinese name on store's sign. The British retailer is expanding rapidly in Asia.

Label-Conscious Asians Want 'In' Look

By R. Jane Singer

HONG KONG — Asia, with its fast-growing, wealthy consumer population, continues to be a dynamic market for designer labels and brand-name fashion. Retail sales in Hong Kong, the region's so-called shopper's paradise, remain relatively strong despite retailers' cries of curtailed consumer spending and the advent of the territory's change in sovereignty in less than a year.

While spending has declined due to uncertainty over the return to Chinese rule and a slowing of the economy, retailers are also up against a dramatic increase in competition. More than 10 new shopping malls have opened in the past six years, in a market already saturated with retail outlets. Where once only the biggest European designer labels were available, Hong Kong's nearly 6.3 million shoppers now have a selection that rivals Paris and New York in variety.

Best sellers in the region change from season to season, however Chanel, Louis Vuitton, particularly among Japanese consumers who still line up for the privilege of making a purchase, Christian Dior and Ferragamo remain perennial favorites. Other winners include Gucci which is enjoying renewed popularity, Prada and most recently Versace.

American labels are also vying for a piece of the action. DKNY is racking up sales in Korea, Hong Kong and Taiwan with multiple outlets in each country. In a newly formed joint venture with Singapore's Club 21, Calvin Klein has just opened a 7,000 square foot (650 square meter) flagship store in Hong Kong. The company will soon open a store in Jakarta with a total of 18 outlets planned for the region.

Asia is often mistakenly viewed as one market, with exporters overlooking the fact that consumer tastes vary from country to country. In Hong Kong and Taiwan, consumers prefer dark tones or pastels, with retailers stating that prints don't sell well, nor vivid colors. It's just the opposite in Indonesia, Malaysia and the Philippines, where women favor bright colors and floral prints.

And while tailored looks may sell in Hong Kong, most of the region likes more feminine styles, with lots of details and embellishments. The grunge look, which was strong in the West, never really took hold here. And in most Asian countries, local women choose dresses over pants. Casual wear, however, is starting to make in roads with teenagers and young adults picking up the trend from the West.

The key to selling in Asia is the strength of the brand name itself, and it is critical for the name to be highly visible on the product. "If girls here are going to spend money on designer fashion, they want something that is clearly identifiable as a designer product," says Patricia Higgins, whose company Bluebell Asia Limited operates boutiques throughout the region for some of Europe's leading labels, including Louis Vuitton, Christian Lacroix, Givenchy and Sonia Rykiel.

This is what makes brands like Chanel and Versace regional success stories. People will definitely pay a premium for a prestigious name, say local retailers.

The most highly publicized brands seem to draw consumers who have *got to have* what's new and trendy. Asian shoppers are very much aware of what is happening on the fashion scene in Europe and the United States. Consumers will easily dismiss a product with an unrecognizable name, regardless of quality.

Easily identifiable, Versace is stealing the show in Indonesia. Consumers also like the bold prints and bright colors, says Dita Sabitri, advertising and marketing manager for the Putra Sinar Primer Group which imports the label and operates Versace boutiques in Jakarta. "Local shoppers don't really know what to purchase, so they favor whatever is highly publicized as being fashionable and prestigious," she adds.

"Filipinos are trendy and fashion conscious," says Vida Estrella, vice president of marketing for the country's prestigious Rustan's department store. She points out that the social nature of the Philippine people helps fuel the demand for fashionable garments to wear to parties and events.

Home to SM Mega Hall, the world's third largest shopping mall, the Philippines already offers extensive outlets and the country's retail market is just starting to be developed. Favorite labels are Christian Dior and Chanel for sophisticated ladies, and Guess and DKNY for the younger generation.

Brand consciousness is not restricted to designer names, with mass market brands like Guess, Esprit, Benetton, Stefanel and Mexx doing well, too. British retailer Marks & Spencer is doing impressive business in Asia and is expanding rapidly throughout the region with ambitious plans to open a total of 15 stores in Hong Kong by the year 2000.

Unlike the West, in Asia labels are given a boost by being showcased in their own single-brand boutiques. A few retailers, such as Joyce and Swank, trade off their own names, offering multi-brand shops with several labels. But most major brands have their own boutiques, augmented by leased areas or counters in local department stores.

PROPERTY developers, meanwhile, are racing to open mega malls to satisfy burgeoning consumer demand. Business is booming in newly industrialized nations like the Philippines, Thailand, Indonesia and Malaysia, where an emerging middle class craves the status of foreign labels. Malaysia is slated to see about 30 new malls open in the next few years and retail development continues to be strong in Indonesia.

The most enigmatic market in Asia is China's, which baits retailers with its population of 1.2 billion potential purchasers. However, in reality the market really consists of several major coastal cities such as Shanghai, Beijing, Dailian and the southern city of Guangzhou, with the rest of the country a long way, economically, from being viable designer label customers.

What sells best in China, say Hong Kong traders who run most of the country's branded retail business, are famous name casual wear collections. According to Chang Ho Fung, an industry consultant who has successfully marketed several branded lines in China, it is not a lack of cash that hinders the Chinese from investing in designer ready-to-wear. It is simply a case of "all dressed up and no place to go." There are few social events, and most white-collar workers are provided with uniforms by their employers, leaving little opportunity for them to wear fashionable attire.

R. JANE SINGER is based in Hong Kong, where she is editor in chief of Inside Fashion, a newspaper for the international fashion industry.

Designers Wake Up to Dressing Down

By Constance White

NEW YORK — Almost imperceptibly, the American fashion industry has awakened from the deeply satisfying success it enjoyed in the early 1980s — when women willingly paid dearly for imposingly designed clothes — to find itself facing a tough new customer who is no longer enamoured with fashion.

Instead, women are being drawn toward new avenues of self-definition and pampering, like massage, manicures and adventure travel, areas that are posing new competition for fashion in the race to capture the lion's share of their discretionary income.

Much of fashion's fallout can be traced to baby boomers, those born roughly between 1946 and 1964, who earned greatly and spent freely a decade ago on conspicuous clothes. The oldest of this group is now hitting 50, and with their aging has come a need for more relaxed, forgiving clothing as well as financial responsibilities like health care, children's college bills, retirement savings and aging parents.

The changes in women's lives have made the job of fashion designers and retailers more difficult. A six-year drop in apparel sales — to $73 billion in 1995 from $84 billion in 1989 — reached its nadir last December when many retailers reported their worst Christmas in years.

Since then, apparel figures have shown slight but uneven improvement as the industry seeks to come to grips with women's changing attitudes and an evolving fashion environment.

"Women today are, for the most part, rejecting very structured clothing and dressy outfits," said Irene Wilson, corporate fashion director for Spiegel, the giant catalogue company. "It's not antifashion. It's a redefinition of fashion. Women still love clothes. They still matter. They matter differently."

Designers like Ralph Lauren, Oscar de la Renta, Marc Jacobs, Isaac Mizrahi, Gemma Kahng and Mark Eisen have begun to offer more moderately priced collections with style but a fit more sensitive to baby boomers' changing bodies. And Eisen, Anna Sui, Cynthia Rowley and Daryl K. are among a group of designers who are redefining the meaning of "designer clothes" by marrying creativity with accessible prices.

This fall, three new collections — Lauren by Ralph Lauren, Tommy by Tommy Hilfiger and Nautica for women — have changed the retail landscape with reality-based fashions presented with the kind of marketing muscle and cachet until now reserved for top lines. These new offerings have brought some women back into the stores, retailers said.

"The world has changed. People expect quality and value now," said Lauren. "Before Lauren, the market was wide open for women who loved Ralph Lauren but weren't able to afford it. This customer spends her money on other things — her home, her children, her car."

One route retailers are taking out of this challenging environment is to give their businesses a narrower focus. Stores like Neiman Marcus and Saks Fifth Avenue are increasing their devotion to high-end names, eliminating lower-priced merchandise in an effort to appeal to the most affluent customers.

Macy's has taken the opposite tack, dumping costlier collections like Calvin Klein, Giorgio Armani Le Collezioni, Lolita Lempika and Genny, and instead are concentrating on the high-end of the middle market with bridge, better and contemporary clothes, all categories that cost less than designer outfits.

Regardless of the demographic focus, most American stores and fashion companies are beginning to respond to a widespread trend in the United States toward casual wear.

In the workplace, many women and men no longer feel the need to dress in a sartorial uniform which, wisdom held, would speed them up the ladder to success. Last year, IBM, one of the nation's largest employers and a bastion of the 1980s corporate suit, announced that company workers could now wear casual attire five days a week.

CK Calvin Klein Khakis, Dana Buchman's Dana b. and Karen, and Emanuel/Emanuel Ungaro are three of the many new casual collections designers have introduced in the last two seasons in an effort to serve the market more appropriately.

Emanuel and Dana Buchman, a division of Liz Claiborne, early on figured out a fresh formula for this new, value-oriented customer: stylish clothes with a relaxed spirit and cut to fit an over 40 year-old body. As a result, both experienced tremendous growth in sales and profits at a time when the fashion industry was contracting and consolidating. At Dana Buchman, for example, sales jumped 370 percent to $136.2 million between 1991 and 1995.

Several companies have begun to do more frequent and comprehensive surveys, probing women's needs and motivations rather than relying solely on designer direction.

When Liz Claiborne, one of the world's largest fashion companies and clothier to millions of career managers in the 1970s and 1980s, saw sales of its main sportswear collection fall 25 percent to $679 million between 1991 and 1995, it set about to find out why.

In its largest study ever, the company interviewed 2,500 women last year and found that they desired simple clothing to counteract their increasingly complex lives. They wanted versatile styles, and they equated versatility with casual dressing.

As a result, there are now more casual offerings in the Liz Claiborne collection and the company created a $25-million advertising campaign in March to communicate its evolution to potential customers, said Al Shapiro, vice president of corporate marketing for Liz Claiborne Inc.

The straightforward advertisements featuring the model Niki Taylor, with her fresh-scrubbed sophistication, speak to women's needs for simple, relaxed fashion.

This year, Liz Claiborne also began displaying clothes as total outfits to show their versatility. And it has hired more sales assistants to help guide customers in their purchases.

When women do spend large amounts on fashion these days, they show a preference for investment-style accessories, particularly fine jewelry, luxury handbags and shoes.

The phenomenal surge in sales of Gucci clothes in the first half of this year is only outdone by the boom in sales of its accessories. Other luxury goods houses like Hermes and Tiffany have been reporting strong earnings.

"Americans now have realized they don't need clothes that don't work," said Tom Ford, the American-born designer and creative director behind Gucci's resurgence.

"Americans have outgrown that at this point. Now ease is the greatest luxury of all. There are other cultures that have not got to that point yet. That's why all these developing countries are the markets for the future — Russia, China and the Far East. Business in the East is booming."

In fact, the decline in apparel sales in America has taken place against a backdrop of increasing amounts of discretionary income going toward services rather than goods.

America's nascent simplicity movement suggests that American women, who drank long and deep from the cup of fashion during the last two decades, have perhaps merely reached a saturation point.

With more industries working hard to entice women to part with their discretionary income, future success in fashion will rely on designers paying close to attention to women's changing priorities and then applying designer creativity to meeting those needs.

"The fashion industry stopped listening to the consumer," said Shapiro of Liz Claiborne. "We stopped asking, and in not asking we lost track of what was happening."

CONSTANCE WHITE covers fashion for The New York Times.

Black on Catwalks

Continued from Page 21

through photographs of the spring '97 menswear season, she realized that she was coming across far more obviously black faces than ever before.

The recognition that a trend is underfoot not only is coming from the coast, but also from the heartland. Janet McCue, veteran fashion editor of the Cleveland (Ohio) Plain Dealer, says: "Black male models are a hot commodity."

The models are quick to point out that clients bearing lucrative advertising contracts aren't exactly pounding on their door. Still, these black men are finding more work, going out on more interviews and, upon occasion, seeing the "only one" rule broken, that is, the unwritten law that designers use only one black model in a show.

This pronounced acceptability of the brawny black male shows, in part, out of the different rules of beauty that apply to men. The menswear runway always has been more accepting of a broader range of looks than the womenswear catwalk. Older male models regularly work the runway, their graying temples adding to their elegance and sophistication.

And certainly the fascination with the style of black men — the way they dress and carry themselves — is nothing new and helps to ease the way, allowing them a more prominent runway presence. Black culture has produced or popularized some of the most distinctive trends in menswear. Think of the laid-back cool of jazz musicians, the oversized look of hip-hop artists, the street-smart style of athletes and the historically slick dandyism of fellas from the neighborhood who would trade in their daytime coveralls for nighttime double-breasted suits, two-tone shoes and sharp fedoras.

Bartlett says that one of the reasons he embraced black models for his menswear show was because the guys "just looked great in the clothes." They should. They've had a lot of practice being fashion plates. In black culture, a well-dressed man is applauded. Unlike in the dominant culture, he is not suspected of being gay, effeminate or somehow unmasculine.

There also is the issue of the black male body. Not only are these models slim and toned, but their muscles also ripple. They have the body of athletes.

And if there is one area in which black men are allowed to excel, even *expected* to do well, it is in athleticism. Black men are *supposed* to have great physiques. They are the embodiment, not of male beauty, but of male athleticism. While white models often are chosen for their chiseled cheekbones, their mane of hair or their sultry eyes, black models are often selected for what lies below the neck. They often are seen modeling sportswear, sweatsuits and other forms of leisurewear. The white guys wear the suits.

The rise of black male models also is linked to fashion's current fascination with other forms of beauty. Short, scrawny women of the '90s are, in part, a way of flaunting the '80s Amazonian models, who were both black and white. Black men are, for Bartlett, an antidote to what he has called "the skinny white guys." In the '90s, the notion of diversity doesn't just hinge on skin color but the overall distance from which one veers from the majority notion of beauty.

Moore/Thomas

Treach of Naughty By Nature with Naomi Campbell.

And so readers find themselves staring at scrawny young white kids who look as if they've been fed a steady diet of heroin. The newest black female model being embraced by Calvin Klein for his fragrance advertising campaign and by Todd Oldham for his runway presentation, takes one's breath away not because of a beauty that transcends racial boundaries but because of her utterly eccentric looks — light brown skin, freckles, luscious lips and hair like cotton that often is styled to shoot straight up from her head. She doesn't walk with the grace of a swan but with the swagger of one of hip-hop's most enduring icons: a "girlfriend from around the way."

Still, out of the quirky images and the search for something different, black men are emerging who have classic good looks and well-hewn bodies. And they are getting a little attention from a fashion industry that is in desperate need of verifiably hip, cool and effortlessly suave dressers.

ROBIN GIVHAN writes about fashion for The Washington Post.

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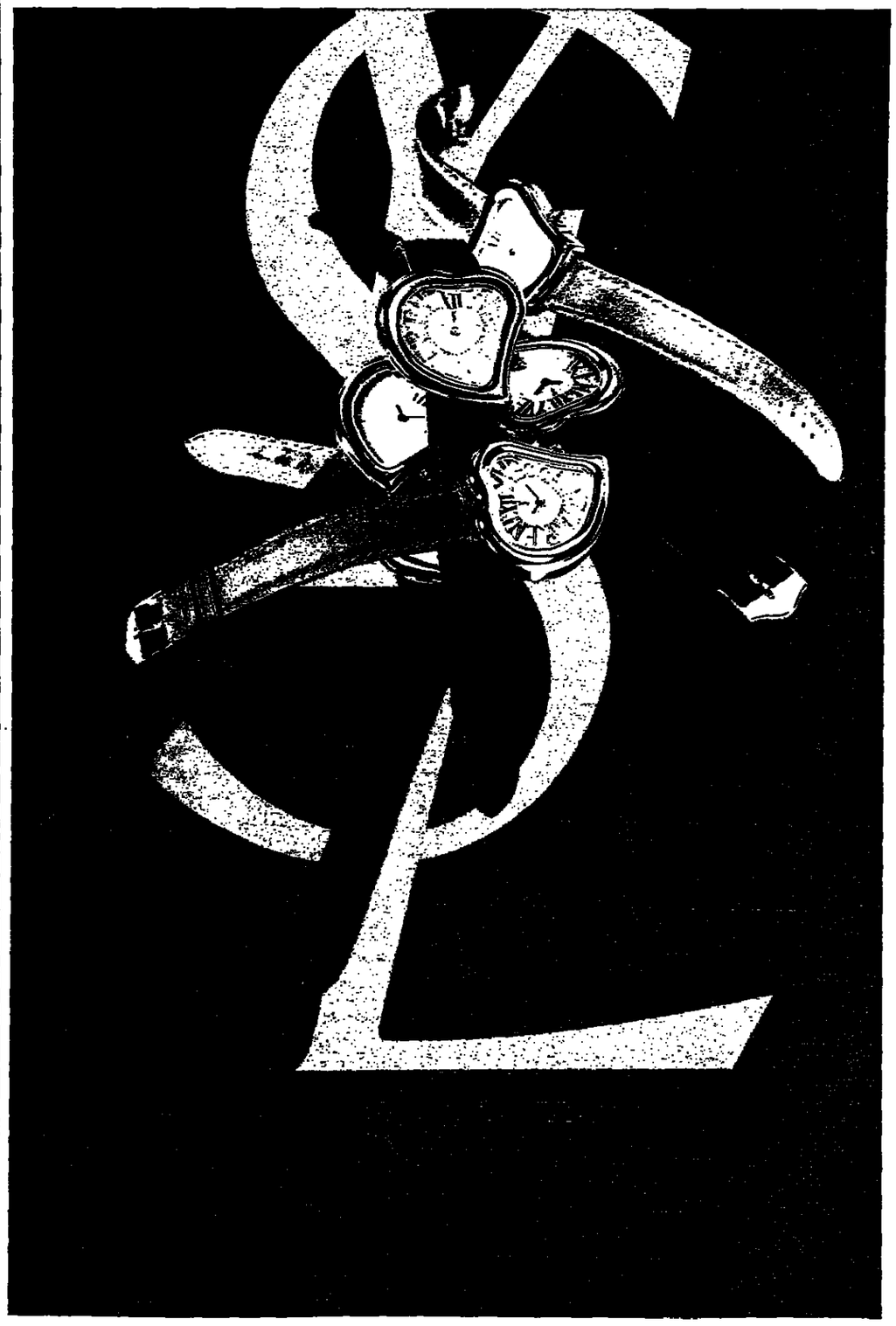

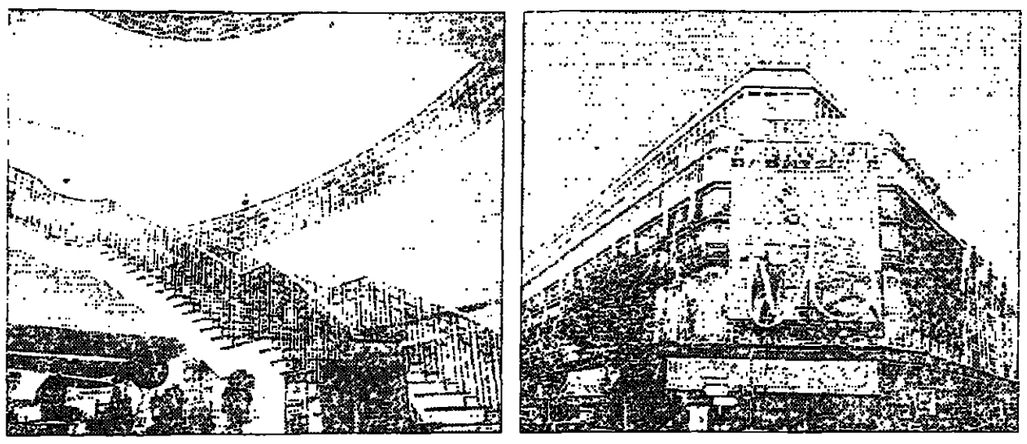

A renovated Franck et Fils, left, and grande dame Galeries Lafayette are creating their own fashion waves.

Grands Magasins Wage a Turf War

By Pat McColl

PARIS — Department stores in Paris are aggressively defending their fashion turf against an all-out Italian assault on the boutique front.

Prada and Dolce & Gabbana are the latest in the Milanese invasion of the Avenue Montaigne, which already includes Genny, Krizia, MaxMara and Ferragamo. Versace is just a few blocks away on the Rue Francois I.

But over on the Boulevard Haussmann, the two grande dames of Paris fashion retailing, Au Printemps and Galeries Lafayette, are creating their own fashion excitement. More is to be found on the Rue de Passy, where Franck et Fils, now part of the LVMH group, has transformed its dowager image into a sparkling jewel of a specialty store inspired by Bendel's and Bergdorf Goodman in New York.

At Au Printemps, which was founded in 1865, a 200 million franc ($4 million) redo of its three floors devoted to women's ready-to-wear was unveiled Monday night the following night. Galeries Lafayette celebrated its centennial with a Festival de la Mode orchestrated by Bob Wilson, the avant-garde theater director.

Against a climate of persistent rumblings about the demise of fashion, the fashion director of Au Printemps, Catherine Royer, says fashion is not dead, it is the rhythm of fashion that has changed. "A name flames up, but how long will these 'successes' last? Everything goes so fast that it's hard to decode it. But one thing is certain: We will never again know the consumerism of the 1980s. It's a challenge."

The store's redo, the first major restructuring in more than 10 years, was its response to the challenge. For two years, Royer and her team traveled the world looking at other stores to decide what works and what does not.

"Let's face it," she said, "we are all selling more or less the same merchandise. Hopefully we'll do it with more imagination."

What she calls a coup for Printemps is its huge boutique for Zara, the well-priced Spanish line. On all three fashion floors, there is a feeling of space and light, of ease of movement among the clothes on display. Designer names, once tucked away on a high floor, have been brought down to the first fashion floor with a big boutique for Helmut Lang, a Printemps exclusive.

To celebrate the new floors, there is an *hommage* through Oct. 26 to that Paris fashion classic *la petite robe noire* — the little black dress. On display for the first time are 17 couture dresses from the private collection of Didier Ludot, a dealer in vintage clothes.

Also on view are the dresses that Hubert de Givenchy did for Audrey Hepburn in "Breakfast at Tiffany's" and "Sabrina:" full-skirted beauties from Christian Dior's New Look, plus models from Jacques Fath, Mme Gres, Lanvin and Cardin.

TO COMPLEMENT the exposition, the store has created private label adaptations with price tags ranging from 1,200 to 1,800 francs ($240 to $360).

Although she is aware of the Italian presence, Royer, once a director at Galeries Lafayette, refers to that store with a smile, saying, "Our competition is next door."

At Galeries Lafayette, Marie-Helene Robinet, who heads the fashion buying team, regards as its centennial coup a boutique for the fashion minimalist, Jil Sander, whose only other Paris location is her own shop on the Avenue Montaigne.

While agreeing with Royer that customers used to spend more on fashion, she comments, "Customers are more careful about how they spend and feel they can't make a mistake. Jil Sander's clothes are very expensive but they are selling well for us. A customer knows if she buys a Jil Sander coat, she will have it for a long time."

A SANDER COAT, at 3,500 francs, is a Galeries Lafayette exclusive, as is a Christian Lacroix dress at 990 francs or an Inez de la Fressange peacoat at 1,100 francs.

As for Bob Wilson's contribution: "He wanted to transform the traditional fashion show," Robinet said. "For him, models walking down a runway are passé, so he has created nine tableaux with the theme 'the *feminin* eternal,' and his inspirations are women like Michele Morgan or Catherine Deneuve."

Over the years, the Galeries Lafayette's fashion team has built an enviable reputation as talent spotters, discovering Sonia Rykiel and Kenzo before they had their own boutiques.

"Twenty years ago it was easier for a young designer to get started," says Robinet. "Today, the money is harder to come by. Designers we believe in are Mariot Chanet, Ann Demeulemeester and Marcel Marongiou."

At Franck et Fils, the opening of a central staircase allowed the store to restructure its presentation, with fashions now keyed to a lifestyle as sunny as the store's new buttercup yellow facade.

PAT MCCOLL is a Paris-based journalist who specializes in shopping and fashion topics.

Beating a Path to Paris's Off-Broadway

By Rebecca Voight

PARIS — Fashion customers ask "What's next?" but stores look for "Who's next?" The search wouldn't be complete without a through investigation of Paris's top showrooms, hot runways and pathfinding stores.

While hip Paris retailers report that they are finding more promising talent in Austria, Belgium and Britain, let it not be forgotten where Dries Van Noten and Dirk Bikkembergs, both Belgians, and Helmut Lang, an Austrian, were all discovered in the 1990s — Paris. Functioning like the off-Broadway of world fashion, the new designer circuit here is huge, and the majority of the orders are coming from Asia, notably Japan, South Korea, Hong Kong and Singapore.

L'Eclaireur, a shop that opened in the Marais six years ago and now has three locations in Paris, has made its reputation promoting avant-garde fashion and design. Even before its Marais opening, L'Eclaireur was among the first to work with such Belgian designers as Ann Demeulemeester in the 1980s.

Its owner and buyer, Armand Hadida, presents European *art de vivre*, mixing fashion from Vivienne Westwood and Comme des Garcons with porcelain tea cups by Fornasetti, sleek electric scooters that fold up to pack in a car trunk by Italy's Aria, La Cornue stoves and Philippe Starck bathroom fixtures.

Next spring, in partnership with the Japanese fashion companies Itoshu and Raika, L'Eclaireur will open a branch in Osaka, followed by one in Tokyo later in the year. Hadida is looking for new European designers to stock the Japanese stores, but complains that the pickings are slim in Paris. "I'm finding more talent in Austria and Britain," says Hadida, who carries the Austrian designers Mario Sorbo and Carol Christian Poell and England's Alexander McQueen and D2.

Claire Perrin, the designer-buyer for Galeries Lafayette, stocks what the department store informally calls its laboratory with a dozen young designer names, about half of them French.

"I look for collections with personality, but after a few seasons we must see a return on our investment," she explains. Abstract patchwork tailoring by the French designer Daniel Jasiak is a current best seller, and new to the department are suits from Jean Philippe Bouyer.

"The real difficulty for young designers is to be durable," says Maria Luisa, who buys for her store on the Rue Cambon and was one of the first to carry John Galliano and Martin Margiela in the late 1980s. Recent additions here include France's Eric Bergere, Lisa Astorino and Britain's Hussein Chalayan.

Photo by Franck Rouhaud

Isabelle Ballu's top and pants.

One of the best places in Paris to see the work of new designers from France and Belgium is Absinthe, near the Place des Victoires.

Beauduin-Masson, Pascal Humbert and Sami Tillouche reflect a romantic, young European style that Marthe Desmoulins has developed since she opened the store six years ago.

Julie Skarland, a Norwegian, is also there. She has been producing a collection under her own name in Paris for the last five years. She is not alone when she says she is happy working here but finds that the sales are elsewhere. Most of Skarland's business is in Japan and the United States.

This season, for the first time, she will present a collection inspired by the Sahara with a runway show in Osaka rather than Paris. Skarland will also go to South Korea with about a dozen young French names selected for a group show in November. She presents her collection in Paris at the Tranoi showroom.

The use of a showroom during designer week has replaced the costly fashion show as a more businesslike image booster for many young names in Paris, and one of the newest and best is Espace Carole de Bona.

In its fourth season, Espace has more than 20 clothing and accessory collections, most from France and Belgium, including Isabel Marant and Isabelle Ballu of France and Union Pour le Vetement of Belgium. Carole de Bona chooses her exhibitors carefully and will only consider companies that have at least four seasons' selling experience. Espace also doubles as a location for shows. In January, de Bona will open her first men's showroom.

Isabelle Ballu presents her collection, inspired by "beautiful tourists," at the Espace and is also staging a fashion show this season. Ballu maintains her tight budget, she says, by "doing the maximum amount of the work myself," including scouting such free locations for her fashion shows as the city's main post office on the Rue de Louvre.

She also keeps prices low, with jackets retailing at around 2,000 francs ($400). Ballu launched her business after she graduated from Paris's most stylish fashion school, l'Ecole Bercot, in 1993 and has seen her sales volume grow steadily each season, thanks to orders from Japanese stores.

The Tranoi showroom, directed by Mariel Gamboa, began with seven companies in 1992 and boasts 65 this season. Gamboa introduced Chalayan to France two seasons ago and the designer continues to show here. "I follow my instinct," says Gamboa, who explains that she picks collections for her showroom as she would stock a department store. Although stores that shop Tranoi expect perfect service from new companies, that doesn't mean all collections here are pricey. "I think less expensive lines, like Paul & Joe, with a strong image are a welcome addition to exclusive stores like Joyce in Hong Kong. Stores are looking for great fashion at all price points."

Paul & Joe features recolored scarf prints from the 1950s and the 1960s in stretch shapes. The separates collection launched last year by Sophie Albou, daughter of the owners of the Paris shirt-maker Le Garage, sells to about 200 stores worldwide, including Bergdorf Goodman in New York and Harrods in London. Albou spent seven years designing with her mother before venturing out on her own to win over new, younger customers. She has also been invited to show in South Korea this fall.

Erotokritos Antoniadis, who produces his Erotokritos collection in his native Cyprus and lives and works in Paris, sells to young-minded Paris stores like Bonnie Cox in Montmartre.

He also has his own shop near the Place des Victoires and shares a retail space with Isabel Marant in the Forum des Halles, the underground mall in the center of Paris where Xuly Bet has recently opened a shop and will hold his show.

Their press books bulging with articles from Japanese magazines and fashion-hungry Asian stores beating a path to their doors, young French designers are too busy working to worry about their low local profiles.

REBECCA VOIGHT is a journalist based in Paris who specializes in fashion.

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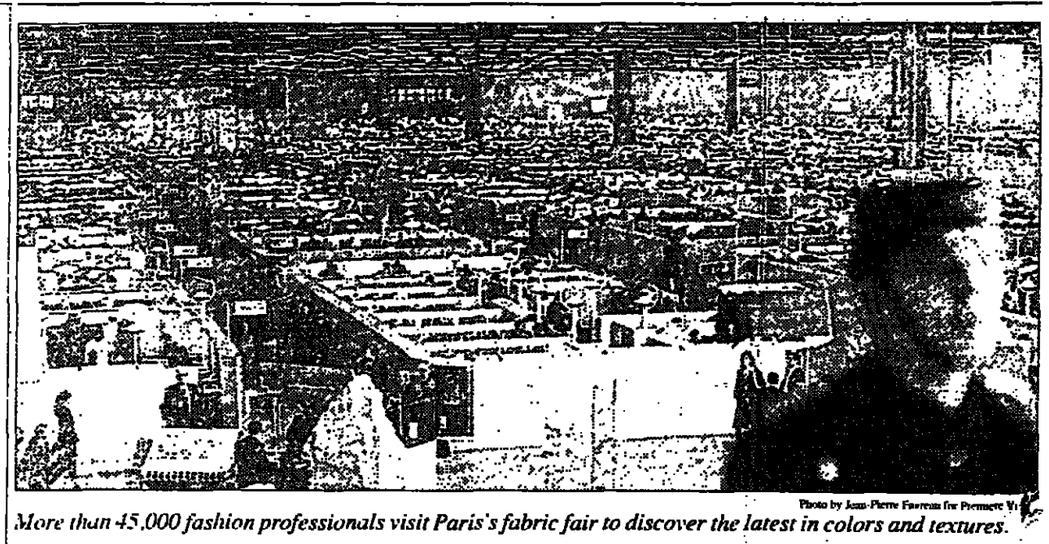

Photo by Jean-Pierre Favreau for Premiere Vi

More than 45,000 fashion professionals visit Paris's fabric fair to discover the latest in colors and textures.

Brave New World of 'Techno' Fabric

By Michele Loyer

PARIS — As fashion diktats vanish and consumers' reliance on designers' names diminishes, fabrics are fast becoming the only authentic playground for novelty and creativity.

This past week more than 800 European manufacturers, selected for the quality and innovation of their goods, showed off the fabrics that are likely to define tomorrow's fashion at Paris's Premiere Vision textile fair.

Since its creation in 1973, the fair has become an essential meeting place not only for fashion designers and stylists, but also for color specialists, makeup artists and car manufacturers who need to anticipate the market evolutions in terms of colors, textures and styles.

Each season more than 45,000 fashion professionals visit Premiere Vision, which is held twice a year in March and October, to discover the look of the future translated into fabrics and colors that will give them a headstart on an increasingly competitive international market.

"Over the past two years, thanks to technology, there has been a profound revolution in the fabrics panorama," says Richard H., Premiere Vision's fashion director."

"Today, there is an increasing ambivalence between sportswear and citywear fabrics," he continues. "Those technical fabrics, formerly restricted to specific uses, like anti-fire gear or competition swimming suits, have now found their way into citywear, while other fabrics like velours and silks, traditionally used for formal wear, can now be found in sportswear lines by adding stretch or waterproofing treatments."

Some of the technical fabrics on offer this year at Premiere Vision were from Schoeller Textile, a Swiss mill located near the Austrian border. Schoeller has built its reputation on technical fabrics used for skiwear. Its specialty is a Lycra stretch fabric used for skigear, as well as cotton/Lycra and wool/Lycra used mostly for windbreakers.

"Our traditional manufacturing has always been geared toward very technical fabrics," says Christine Jenny, creative and sales director of Schoeller.

Two years ago, fashion designers like Calvin Klein, Donna Karan and Giorgio Armani started using technical fabrics, until then restricted to industrial use (fire-proofing) or motorcycling, in their sportswear lines. Some transparent aluminum-coated polyester fabric is now used by several top designers to make raincoats and even evening dresses, not to mention one of Karan's latest discoveries, a "reflective" fabric used by the police and road workers, which changes color and becomes white when touched by a beam of light.

Among other innovations shown at this fall's Winter 97-98 session of Premiere Vision, fabric buyers discovered a new thermostatic fiber — a mixture of polyester and ceramic — presented by the Spanish mill Niki Bosch. "Ceramica was originally conceived by the NASA [the U.S. National Aeronautics and Space Administration] research program to protect spacecraft from the sharp thermic changes caused by re-entry into the atmosphere," said Niki Bosch, the company's president and creative director.

Ceramica maintains an even temperature of about 20 degrees centigrade (68 degrees Fahrenheit), under extreme temperatures, both hot and cold. It also protects its wearer from ultraviolet rays. When mixed with cotton, silk or polyester, the fiber retains the soft and light touch of natural fibers but is much easier to wash and can easily be printed or pleated.

Already, some designers like Ralph Lauren, Karan, Klein and Prada have expressed interest in the new fiber.

Increasingly, fashion designers are trying to use novelty fabrics to personalize their lines. And textile mills are eager to collaborate with them.

"I love to brainstorm with creative people who have an unprejudiced eye on textile," says Pierre-Alain Chaleard, creative and sales director of Pichat-Chaleard, an innovative fabric mill in Lyon. "I always try to come up with what they are looking for and cannot yet find on the market."

In the ever-changing world of fashion, the pendulum is already moving from hard-edged technology toward a softer and more natural elegance. A change that the textile mills have been quick to register.

"My clients are looking for a softer look achieved with new blends of natural and synthetic fibers which will give a plus to the garment," said Jenny of Schoeller Textile.

Despite the changes, some words come back as a leitmotiv. Comfort is one of them, meaning stretch and lightweight fabrics.

"When I look at a fabric collection, my top priorities are quality and comfort," says Myrene de Premonville, who designs a line of sophisticated ready-to-wear. Today, elasticity is being taken for granted by the public. Stretch fabrics have become a classic, not only for trousers but also for coats, jackets and blouses.

"Now there is a need to come back to beautiful natural fibers with a very soft touch like heathery wool and colorful Irish tweeds," says de Premonville. "Women are beginning to be tired of gimmicky fabrics." She tempers her comment with the inevitable "As long as the price remains reasonable."

In today's difficult market, things are not always what they seem. There is little doubt that many luxury-looking butter-soft and featherweighted fabrics will be the result of a clever alliance between nature and chemistry.

MICHELE LOYER is a journalist based in Paris.

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هكذا من الاصل

WORLD ROUNDUP

Muster Is Ousted

TENNIS The Swedish veteran, Stefan Edberg, counting down to his retirement, defeated top-seeded Thomas Muster of Austria in three grueling sets Thursday to advance to the quarterfinal of the CA Trophy tournament in Vienna.

Boris Becker, seeded fifth, was to play fellow German Michael Stich for another quarterfinal berth.

Muster got off to a slow start, appearing nervous and unable to concentrate. He served a poor first game, Edberg held his first serve, and took the set 6-4.

Muster, the world's third-ranked player, recovered in the second set and tried to make Edberg run. Edberg responded with several clean drop shots that kept Muster on his toes. Edberg moved up 6-5, but Muster forced a tie break and won it 7-2.

The two stayed close in the third set. At 5-5, Edberg appeared to lose his concentration and hit the net or hit easy shots wide. But he held to take the game 6-5. With Muster serving, he regained form and dropped several shots on the lines. He took the match when Muster double faulted.

Edberg will face Jan Siemerink of the Netherlands in the quarterfinals. Siemerink ousted eighth seed Thomas Enqvist of Sweden, 7-6 (8-6), 7-5.

Third seed Yevgeni Kafelnikov of Russia breezed through his second round match against Omar Camporese of Italy, winning 6-4, 6-3. He is to face Arnaud Boetsch of France, who advanced after defeating Daniel Vacek of the Czech Republic 6-4, 3-6, 6-3. *(AP)*

Davenport Advances

TENNIS Olympic champion Lindsay Davenport on Thursday eased into the third round of the Porsche Grand Prix tennis tournament in Filderstadt, Germany, defeating Natalia Medvedeva of Ukraine 6-1, 6-3.

The 20-year-old American had little trouble in keeping up with Medvedeva's quick play, even though both players started off the first set losing their serves before Davenport took charge to win the match in just 51 minutes.

In other matches, fifth-seed Anke Huber of Germany, fresh off winning the WTA tournament in Leipzig last week, easily defeated Brenda Schultz-McCarthy of the Netherlands 6-1, 6-4, and third-seeded Iva Majoli of Croatia beat Barbara Rittner of Germany 6-4, 6-3. The fourth-seeded Davenport goes on to play sixth-seeded Jana Novotna of the Czech Republic who defeated Dominique van Roost of Belgium 6-2, 6-1.

Third-round play on Friday will also feature top-seeded Arantxa Sanchez-Vicario of Spain facing Martina Hingis of Switzerland, and Huber meeting second-seeded Conchita Martinez of Spain. *(AP)*

Oscar Schindler to Run

HORSE RACING Oscar Schindler, a fast-finishing third to Helissio in last Sunday's Prix de l'Arc de Triomphe, will run in next month's Melbourne Cup.

Michael Kinane, the Irish jockey, who partnered Vintage Crop to his historic victory at Flemington in 1993, has convinced owner Oliver Lehane that he will never have a better chance of landing Australia's greatest horse race.

Oscar Schindler, the Irish St. Leger winner who also won at Royal Ascot, looks well handicapped, and will join English raiders Court Of Honor and Grey Shot in the November 5 race. Oscar Schindler has been cut to a 5-1 favorite from 7-1 by oddsmakers. *(Reuters)*

Yanks Win Opener in 11 Innings

Orioles Angry as Fan Gives Homer a Helping Hand

By Jack Curry
New York Times Service

NEW YORK — One overzealous 12-year-old helped the New York Yankees rejoice on a night when all of their runs except Bernie Williams' game-winning homer were somewhat tainted. Still, after beating the Baltimore Orioles, 5-4, in 11 innings at Yankee Stadium, the Yankees refused to apologize.

They won their first American League Championship Series game in 15 years on Wednesday night, and did it with an assist from 12-year-old Jeff Maier, a New Jersey boy with a keen eye and a quick glove. The young fan reached over the wall in right field to try to snare a ball hit by New York's Derek Jeter in the eighth inning with the Yankees trailing, 4-3. He didn't actually catch the ball — it hit his glove and caromed into the stands. But Rich Garcia, the umpire stationed on the right-field line, signaled a home run.

The Orioles screamed that the youngster had interfered with their right fielder, Tony Tarasco, but to no avail. Although the umpire later acknowledged second-guessing his call, the home run stood, the Yankees had tied the score at 4-4, and New York was on its way to a dramatic Game 1 victory.

The Orioles, who were rightfully perturbed, saw the incident as another indignity at the hands of a team that has now beaten them 11 out of 14 times this year.

Who could blame the Orioles for being angry? Three innings later, Williams destroyed Randy Myers' 1-1 slider by rocking it deep into the left field seats to start the 11th. It was Williams' fourth home run this October, and it vaulted the Yankees to their fourth straight come-from-behind triumph in the post-season. The Yankees were delirious, the Orioles were depressed and Maier was delighted.

"It's unbelievable," Maier said. "It's pretty cool."

Darryl Strawberry soaked in the evening's strange events, the first game of what is expected to be a riveting series, and mused, "They'll be talking about this one for a long time."

"Do I feel bad?," asked Jeter. "We won the game. Why should I feel bad? Ask them that."

Asked if New York's third one-run the victory in the post-season was tainted, Andy Pettitte, the Yankee starter who gave up four runs in seven decent innings, snapped: "Ain't nothing tainted about this as far as I'm concerned. We're up 1-0. Nothing else matters."

Pettitte is right. Nothing else does matter. Club officials were concerned about how fans would react to the villainous Roberto Alomar's presence, but the Yanks never expected to receive a run batted in from a fan. It came when they needed it most, trailing by a run.

Jeter hit a towering flyball to right off Armando Benitez that Tarasco positioned himself to catch by backing up against the fence. Tarasco was waiting for the ball to descend into his glove, when Maier dipped his glove down about two feet and scooped the ball over the fence as it glanced off his arm.

Television replays clearly showed that without interference, the ball would have hit near the top of the fence or Tarasco would have caught it to put the Orioles four outs away from a 4-3 victory. But Maier was stationed in the walkway in front of the first row and, as kids sometimes do, he got in the way. The Yankees are fortunate he did.

"It was like a magic trick," explained Tarasco. "I was getting ready to catch it and suddenly a glove appeared and the ball disappeared. When the kid reached over the wall, the kids' glove was very close to mine. We almost touched gloves."

Tarasco added, "Obviously, I was camped underneath it and ready to catch it."

The Yankees who admitted to watching the replay and who were honest agreed.

"The ball definitely was interfered with," said Strawberry. "The ump is running down the line when he makes the call so he doesn't have the benefit of the replay."

"If you see it from the side," Pettitte said, "it's obvious it wasn't a homer.

Garcia, who did not think Maier interfered with Tarasco, said he thought the ball was leaving the Stadium and that the right fielder did not have a chance to snare it. After watching the replay, he was asked if he still thought Jeter deserved a homer.

"Well, after looking at it, no," he said. "At the time I saw it, I never saw anybody touch the ball and I thought the ball was out of the ballpark."

Jeter rationalized that he would have been awarded at least a double anyway and, since Tim Raines belted the next pitch for a single off Benitez, the score would have been eventually tied, 4-4, even if Maier did not get involved.

It was a nice attempt to minimize the boy's involvement, but Tarasco had the best view of the play and he said, "In my mind, there was no way in the world I would have dropped it."

Yankee manager Joe Torre was disappointed that the controversial play overshadowed Williams' continued dominance at the plate, chiding reporters by asking if they had seen a replay of his game-winning homer.

The classy Williams, whose double in the seventh helped the Yankees to their third run, has long been called a potential superstar and he has been that, in five post-season clashes with four homers, seven runs batted in and a .474 average.

"I'm just like a surfer," Williams said. "I'm riding the wave."

Rusty Kennedy-The Associated Press

The Yankees' Bernie Williams, right, after hitting a game-winning homer.

Zulle Masters Rain to Win World Title

Compiled by Our Staff From Dispatches

LUGANO, Switzerland, — Alex Zulle of Switzerland crowned his Vuelta d'Espana victory with his first world title on a rain-slicked course on Thursday.

He beat Chris Boardman of Britain by 39 seconds, clocking 48 minutes 13 seconds in the 40.4 kilometers time-trial championship, with another Swiss, Tony Rominger, third, 41 seconds slower than his compatriot.

Zulle was always in control. About nine kilometers (5.5 miles) from the finish, he overtook Vyacheslav Ekimov of Russia, who had started two minutes before him.

He was 15 seconds faster than pre-race favorite Boardman after 13.5 kilometers and increased his lead to 46 seconds at 26.8 kilometers, although Boardman later clawed back a few seconds in the rainy conditions he had feared.

The Briton had crashed out of the 1995 Tour de France on wet roads, breaking a wrist and ankle, and had said this week: "If it rains on Thursday, it will be my worst nightmare."

After the race, Boardman said the rainy weather held him back. "My experience left me a little scarred," he said. "I used to attack on downhills in the rain, now I'm a lot more cautious. I have to work on it. I know it's a weakness."

Abraham Olano, holding silver medals from time-trials at last year's world championships and at the Atlanta Olympics, was never in the hunt.

The Spanish rider finished eighth, one minute 55 seconds slower than Zulle, who two weeks ago scored a long overdue major triumph in the Vuelta.

The bespectacled Zulle said: "It was not a matter of whether I could see because of the weather. It was the rain which made the descent very dangerous, and I went as slowly as I dared. This title is very important because it has boosted my morale and confidence for the future. After the Vuelta, this has to be my biggest victory."

With Spain's Olympic champion and five-time winner of the Tour de France Miguel Indurain not defending his title on Thursday, Boardman was seen as the biggest threat to a home triumph.

He came to Lugano with the world 4,000 meters pursuit title, the world hour record and an Olympic time trial bronze, but also keen to erase memories of a bad Tour de France.

"There was no way I could have beaten Alex," said Boardman. "If the course had been flat and it had been sunny I might have scraped in, but each rider has a period in his season when he is at a peak, and Alex is having his now."

With Rominger reaching the first time check 25 seconds slower than Zulle, the battle for gold appeared to rest between Zulle and Boardman.

But Boardman had to drive hard in the finishing straight to hang on to the silver by two seconds from Rominger. *(Reuters, AP)*

Pascal Pavani/Agence France Presse

Alex Zulle of Switzerland, who rode to a world title on Thursday.

Lopez Lifts Braves Over Cardinals

By William Gildea
Washington Post Service

ATLANTA — The defending world champion Atlanta Braves won another important close game, turning back the upset-minded St. Louis Cardinals, 4-2, to open the National League Championship Series.

The Braves' catcher, Javy Lopez, provided the variation on a familiar theme by delivering a two-run, eighth-inning single as John Smoltz, a 24-game winner during the regular season and favorite to win the NL Cy Young Award, outdueled Cardinals right-hander Andy Benes, who did not figure in the decision.

Mark Wohlers retired three Cardinals in the ninth inning for the save on Wednesday night. "We're always scratching and clawing," the Braves manager, Bobby Cox said. "We do a lot more of that than people think. Most of our games are pretty darn close."

The Cardinals were hoping to sustain the momentum they had built by sweeping San Diego in the first round of playoffs. They had chances. Their best came in the seventh after they scored a run on three singles to tie the game at 2. But Smoltz retired the next three batters.

The Cardinals' manager, Tony La Russa, disdained a bunt with the run in, runners at first and second and No. 8 batter Luis Alicea up. He flied out, as did pinch hitter Willie McGee, and Ozzie Smith, with two runners in scoring position after a wild pitch, bounced out to end the inning.

"You got a force play at third and a couple of runners first baseman John Mabry and catcher Tom Pagnozzi, whose biggest assets aren't speed, and that bunt was a little tough to execute," said La Russa, explaining why he had Alicea swing away.

As Smoltz saw it: "That was a big out. I didn't know if he was going to bunt. I didn't want to lay one in there. I threw a split," a medium-speed, split-fingered fastball. "My slider has been missing, but I've been able to add a change-up and a split."

The Cardinals scored first in the second inning in typical Cardinals fashion, by a matter of inches. Brian Jordan tripled to center field, the ball just carrying over the glove of Marquis Grissom. Smoltz then threw a wild pitch with Gary Gaetti at bat, allowing Jordan to score.

The Braves had two hits in the fourth, but failed to score. They struck, however, in the fifth. Jeff Blauser singled to right with one out. Smoltz failed to help himself when he failed three times to bunt and was out fouling off the last effort. But the top of the order came through for the Braves.

Grissom hit a sharp grounder that the stretching Smith just failed to backhand. The ball caromed off his glove and into short left field as Blauser went to third and Grissom made it to second with a double. Scrappy second baseman Mark Lemke singled to right, scoring both of them. "It's his time of year," said La Russa, aware of Lemke's penchant for postseason heroics.

Smoltz was at his best retiring Jordan to end the top of the sixth. Right-hander to right-hander, Smoltz froze him with a sidearm delivery.

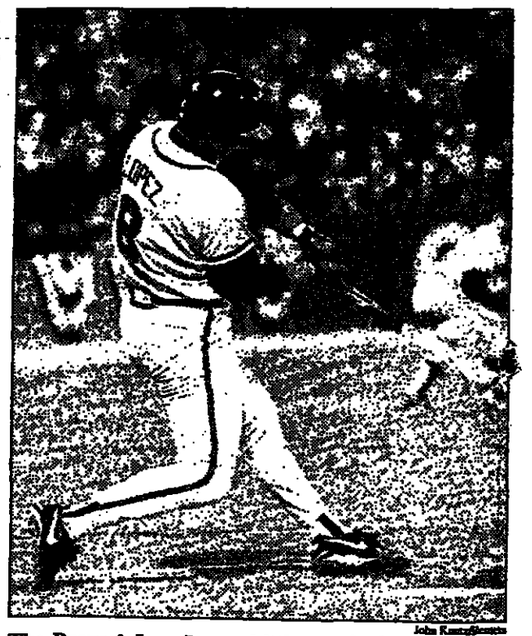
Then came the telltale bottom of the eighth. Lemke opened against right-handed reliever Mark Petkovsek, who would be the loser, with a walk that he worked hard to get. Jones bunted — Cox opting for the tactic that La Russa had spurned. Petkovsek slipped in front of the mound, his throw was late, and Jones had his fourth straight single.

Jones then knocked the ball out of the glove of second baseman Alicea, who was covering first, and Lemke took third on the error charged to Alicea. Andrew Jones ran for Lemke and left-hander Tony Fossas replaced Petkovsek. With McGriff at bat, Chipper Jones took second without drawing a throw. McGriff then popped to short for the first out.

The managers then dueled. Cox sent switch-hitting Terry Pendleton up to bat for left-handed-swinging Klesko. La Russa countered with right-hander T.J. Mathews. Pendleton turned around to bat from the left side, only to be walked intentionally.

Lopez then drilled a two-strike single up the middle to score both Joneses, one more than proved necessary, as Wohlers mowed down the Cardinals in the ninth with extreme heat.

Smoltz became the all-time LCS strikeout king in the first inning, when Ray Lankford became his 47th victim. That broke a record shared by ex-Oriole Jim Palmer and Nolan Ryan. Smoltz went on to record five more strikeouts.



John Kassjohnson

The Braves' Javy Lopez hitting a single against the Cardinals. The Braves won the series opener, 4-2.

SCOREBOARD

BASEBALL

MAJOR LEAGUE PLAYOFFS

WEDNESDAY'S LINE SCORES

AMERICAN LEAGUE

Baltimore	011	101	000	00	4	11 1
New York	110	000	110	01	5	11 0

Erickson, Orosco (7), Benitez (7), A. Rhodes (8), Te.Mathews (9), R.Myers (9) and Parent; Pettitte, J. Nelson (8), Wetteland (9), M.Rivera (10) and Leyritz. Girardi (10). W—M. Rivera, 1-0. L—R. Myers, 0-1. HRs—Baltimore, By.Anderson (1), R.Palmeiro (1). New York, Be.Williams (1), D. Jeter (1).

(New York leads series 1-0)

NATIONAL LEAGUE

St. Louis	010	000	100	2	5	1
Atlanta	000	020	02x	4	9	0

Andy Benes, Petkovsek (7), Fossas (8), T. J. Mathews (8) and Pagnozzi; Smoltz, Wohlers (9) and J. Lopez. W—Smoltz, 1-0. L—Petkovsek, 0-1. Sv—Wohlers (1).

(Atlanta leads series 1-0)

PLAYOFF SCHEDULE

LEAGUE CHAMPIONSHIP SERIES

American League
Thursday, Oct. 10
Baltimore at New York
Friday, Oct. 11
New York at Baltimore
Saturday Oct. 12
New York at Baltimore
Sunday Oct. 13
New York at Baltimore, if necessary
Tuesday Oct. 15
Baltimore at New York, if necessary
Wednesday Oct. 16
Baltimore at New York, if necessary

National League
Thursday, Oct. 10
St. Louis at Atlanta
Saturday, Oct. 12
Atlanta at St. Louis
Sunday, Oct. 13
Atlanta at St. Louis
Monday, Oct. 14
Atlanta at St. Louis
Wednesday, Oct. 16
St. Louis at Atlanta

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
x-Yomiuri	77	53	0	.592	—
Chunichi	72	58	0	.554	5
Hiroshima	71	59	0	.546	6
Yakult	61	69	0	.469	16
Yokohama	55	75	0	.423	22
Hanshin	54	76	0	.415	23

(x-clinched league title)

THURSDAY'S RESULTS

No games scheduled

PACIFIC LEAGUE

	W	L	T	Pct	GB
x-Orix	74	50	6	.597	—
Nippon Ham	68	59	4	.540	7
Seibu	62	64	4	.492	13
Kintetsu	62	67	1	.481	14½
Lotte	60	67	3	.472	15½
Daiei	54	74	2	.422	22

(x-clinched league title)

THURSDAY'S RESULTS

Lotte 6, Daiei 0

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	2	0	1	5	9	4
Tampa Bay	1	0	0	2	4	3
New Jersey	1	1	0	2	4	4
Philadelphia	1	1	0	2	4	4
N.Y. Islanders	0	1	2	2	5	6
N.Y. Rangers	0	1	2	2	7	10
Washington	0	2	0	0	5	10

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Hartford	2	0	0	4	8	3
Montreal	1	0	2	4	15	12
Buffalo	1	2	0	2	5	8
Ottawa	1	0	2	2	6	6
Boston	0	1	1	1	6	9
Pittsburgh	0	2	0	0	6	11

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	2	0	0	4	9	4
Chicago	2	1	0	4	9	5
St. Louis	2	1	0	4	8	7
Detroit	1	1	0	2	3	3
Phoenix	1	1	0	2	5	3
Toronto	1	1	0	2	6	5

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Edmonton	3	1	0	6	10	7
Anaheim	1	1	1	3	9	10
San Jose	1	1	1	3	9	14
Calgary	1	2	0	2	5	6
Colorado	1	2	0	2	9	8
Los Angeles	1	2	0	2	10	13
Vancouver	1	2	0	2	4	5

WEDNESDAY'S RESULTS

N.Y. Islanders 2, Ottawa 1
Montreal 6, Los Angeles 3
Detroit 2, Edmonton 0
Anaheim 2, Chicago 0
St. Louis 3, Calgary 1
Buffalo 2, Vancouver 1

SOCCER

WORLD CUP QUALIFYING

GROUP ONE
Denmark 2, Greece 1

GROUP TWO
Italy 1, Georgia 0
England 2, Poland 1

GROUP THREE
Norway 3, Hungary 0

GROUP FOUR
Estonia 0, Scotland 0
(match abandoned after three seconds)
Sweden 6, Austria

GROUP SIX
Czech Republic 0, Spain 0

GROUP SEVEN
San Marino 0, Belgium 3

GROUP EIGHT
Lithuania 2, Liechtenstein 1
Ireland 3, Macedonia 0
Iceland 0, Rumania 4

INTERNATIONAL FRIENDLY
France 4, Turkey 0

DUTCH FIRST DIVISION

Feyenoord Rotterdam 3, Groningen 1
Ajax Amsterdam 3, Willem II Tilburg 0
AZ Alkmaar 1, Sparta Rotterdam 2
Vitesse Arnhem 1, Roda JC Kerkrade 2
NEC Nijmegen 1, Heerenveen 1
RKC Waalwijk 0, Volendam 0
NAC Breda 3, Utrecht 3
STANDINGS: Feyenoord Rotterdam 22; PSV Eindhoven 20; Roda JC Kerkrade 16; Graafschap Doetinchem 15, Vitesse Arnhem 15, Ajax Amsterdam 15, Twente Enschede 15; NAC Breda 14; Heerenveen 13; Sparta Rotterdam 11, Fortuna Sittard 11; NEC Nijmegen 10; Utrecht 8, RKC Waalwijk & AZ Alkmaar 7, Volendam 7; Groningen 6; Willem II Tilburg 5.

GOLF

DUNHILL CUP

GROUP ONE
United States 2, Italy 1
England 3, Spain 0

GROUP TWO
Sweden 2, Scotland 1
Zimbabwe 2, India 1

GROUP THREE
Ireland 2, Wales 1
South Africa 2, Canada 1

GROUP FOUR
New Zealand 2, Germany 1
Australia 2, Japan 1

CYCLING

WORLD CHAMPIONSHIP

Leading results of the men's individual time trial (40.4 km) in the World Road Race cycling championships in Lugano, Switzerland on Thursday: 1, Alex Zulle, Switzerland, 48 minutes 13 seconds; 2, Chris Boardman, Britain, 39 seconds behind; 3, Tony Rominger, Switzerland, 41; 4, Daniele Nardello, Italy, 1:01; 5, Andrea Peron, It, 1:24; 6, Uwe Peschel, Germany, 1:26; 7, Carlos Dominguez, Spain, 1:52; 8, Abraham Olano, Sp., 1:55; 9, Vyacheslav Ekimov, Russia, 2:22; 10, Neil Stephens, Australia, 2:34.

RUGBY LEAGUE

IN AUCKLAND
Britain 22, Lion Red Cup XIII 22

CRICKET

TEST SERIES

INDIA VS. AUSTRALIA
THURSDAY, IN NEW DELHI
Australia innings: 182 (all out)
India innings: 57-1

BASKETBALL

EUROLEAGUE CHAMPIONSHIP

GROUP B
Teamsystem Bologna 82, Alba Berlin 72

GROUP C
Barcelona 90, Bayer Leverkusen 71
Villeurbanne 70, Ljubljana 69
Panathinaikos 72, Split 50

GROUP D
Caja San Fernando 91, Dynamo Moscow 61

STANDINGS: Group A— Maccabi Tel Aviv 5, Stefanel Milan 5, Ulker Spor 5, Panionios 5; CSKA Moscow 4; Limoges 3. Group B— Teamsystem Bologna 7; Cibona Zagreb 6; Olympiakos 5, Alba Berlin 5; Estudiantes Madrid 4; Charleroi 3. Group C— Barcelona 7, Villeurbanne 7; Panathinaikos 6, Split 6, Ljubljana 6; Bayer Leverkusen 4. Group D— Virtus Bologna 5, Efes Pilsen 5, Partizan Belgrade 5; Pau-Orthez 4, Sevilla 4, Dynamo Moscow 4.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BOSTON—Claimed RHP Mike Campbell off waivers from the Chicago Cubs and RHP Bob Ayllacid off waivers from the Seattle Mariners.

SEATTLE —Announced that INF Doug Strange, INF Brian Hunter, and OF Alex Diaz have refused outright assignments and chose to become free agents.

TEXAS—Assigned RHP Jeff Davis and OF Jack Voigt outright to Oklahoma City of the American Association. Re-signed RHP Clint Davis, 1B Bubba Smith, LHP John O'Donoghue and OF Mike Murphy to minor-league contracts.

NATIONAL LEAGUE

FLORIDA— Named Carlos Tosca manager of Charlotte, IL.

PITTSBURGH— Announced Trent Jewett will manage Calgary of the PCL next season.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

ATLANTA—Released F Pat Durham.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BALTIMORE—Signed RB-KR R. Baldwin.

BUFFALO —Placed S Henry Jones on injured reserve. Signed DB Mike Salmon.

NEW ENGLAND —Signed OTs Smith. Waived TE Lovett Purnell.

SAN DIEGO —Signed C Bryan Stoltenberg and LB Arnold Ale. Signed TE Wemar Hipler to the practice squad. Waived LB Jeff Cumerlings. Placed WR Jimmy Oliver on injured reserve.

SAN FRANCISCO —Signed LB Sean Mannel to the practice squad. Released RB Stephen Pitts from the practice squad.

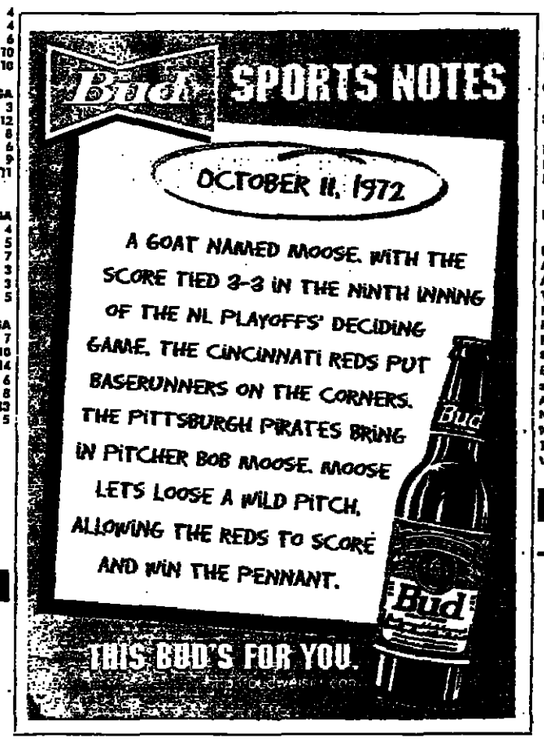
HOCKEY

NATIONAL HOCKEY LEAGUE

NHL—Suspended Edmonton Oilers LW Louie DeBrusk for four games and fined him $1,000 for a slashing incident against Vancouver D Dana Murzyn on Oct. 6.

IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html



SPORTS

Swedes Stun Scots at Dunhill Cup

Reuters

ST. ANDREWS, Scotland, — A 110-foot birdie putt by Jarmo Sandelin at the 16th hole helped sink Colin Montgomerie, as unseeded Sweden stunned defending champion Scotland, 2-1, on the opening day of the Alfred Dunhill Cup.

Sandelin's victory by 68 to 69 in the decisive third match of the contest on Thursday left the Scots facing an uphill battle to retain their title.

They must win their remaining two group matches, 3-0, and hope that Sweden loses one to reach Sunday morning's semifinals.

In the only other upset on the first day of round-robin group matches, England, unseeded for the first time in the 12 years of the event, beat eighth-seeded Spain, 3-0.

Mark O'Meara, playing for the top-seeded U.S. team, flirted with the 10-under-par Old Course record of 62 set by compatriot Curtis Strange in 1987 but had to settle for a 63.

He made 10 birdies in the first 12 holes, including a record-tying eight in succession from the second for a course record-breaking outward nine of 28. But a double-bogey six at the tough 461-yard 17th, known as the Road Hole, torpedoed his chance. He collected his 11th birdie at the eighteenth hole.

O'Meara defeated Costantino Rocca, loser of the 1995 British Open here, by seven shots as the Americans beat Italy, 2-1, in group four, the group containing England.

Steve Stricker beat Silvio Grappasonni, 68-75, but U.S. tour money leader Phil Mickelson, winner of four titles this year, lost to Emanuele Canonica on the second playoff hole. Fourth-seeded Zimbabwe, last year's beaten finalists, had a battle on their hands before beating India, 2-1.

There were also 2-1 victories for second-seeded Australia over Japan, third-seeded South Africa over Canada, sixth-seeded Ireland against Wales, and seventh seeded New Zealand over Germany.

Montgomerie, who on Sunday clinched his record-tying fourth successive European Order of Merit title, birdied the first three holes against Sandelin and the Swede admitted thinking: "Oh my God, this is going to be tough.

"But I've learned that if you find your own game and focus on making the putts, you can recover," he said.

Two behind at the turn, he birdied the 11th and 12th and his huge putt at 16 clinched the victory as Montgomerie managed only pars on the last two holes.

Andrew Coltart, like Montgomerie a member of last year's winning Scottish team, had begun with a 67-70 victory over Peter Hedblom, but Patrick Sjoland leveled by beating Raymond Russell, 68-69.

The Scots were unlucky to lose, with a cumulative total of 11 under par. That was second only to the Americans' 13 under and one better than the Swedes.

"It would have beaten most teams," Montgomerie said.

The big Scot had good reason to feel frustrated because Sandelin's approach to the 16th looked like it was heading out of bounds.

"He even shouted 'fore' to warn the crowd," Montgomerie said. "But the ball stayed in and he holed the putt to go one ahead. It looked as if I might be one or two ahead. Instead I parred the hole and lost it."

Zimbabwe, who Scotland will have to beat again when they clash on Saturday, struggled to subdue India, with Nick Price beating Jeev Singh, 70-71, in the deciding match.

Tony Johnstone went down, 72-73, to Ali Sher, but Mark McNulty beat Gaurav Ghei, 70-73, after the Indian, like O'Meara, double-bogeyed the 17th.

"They had nothing to lose today and adopted the attitude that they could go for it — I was very impressed," Price said of the losing team.

Price's birdie at the 15th put him two ahead and he could afford his bogey five at the 17th.

■ High Praise for Tiger Woods

Greg Norman, the world's top-ranked golfer, said he believed Tiger Woods was "a breath of fresh air" for the game, Reuters reported from St. Andrews.

Woods, American golf's rookie phenomenon, beat Davis Love in a playoff to win the Las Vegas Invitational last Sunday for his first professional victory.

"He comes out with all guns blazing but he is also a hell of a nice guy," said Norman. "He has a lot to learn and he'll have ups and downs, but I think he is strong enough to be able to handle everything that comes his way."

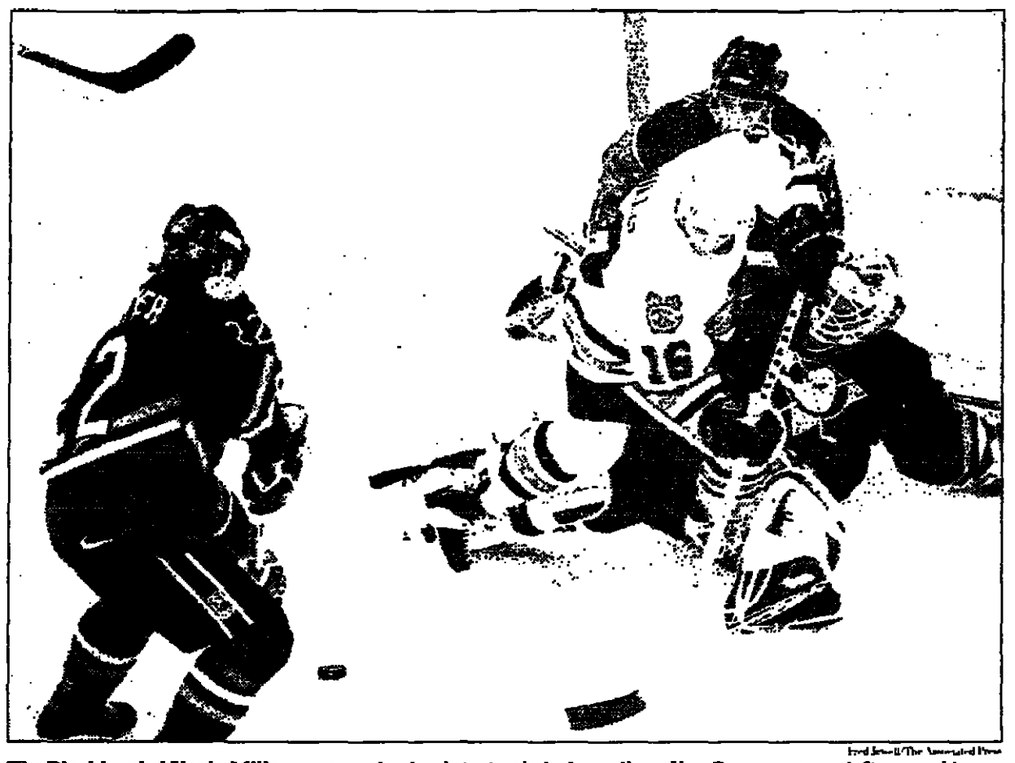
Norman, who has played practice rounds with the 20-year-old Woods for several years, said he was astonished by Woods's power and length off the tee:

"He is longer than John Daly. He hits 310 to 320 yards without trying, 340 or 350 when he is hitting harder.

"He's amazing because he's not very strong. But he has amazing speed in his body. It's incredible how much speed and control he generates with his body."

Jimmy Trevis/The Associated Press

Greg Norman taking a swing during a practice round at St. Andrews.



Fred Jewell/The Associated Press

The Blackhawks' Kevin Miller, center, plowing into Anaheim's goalie as Ken Baumgartner, left, moved in.

Red Wings Snap Oilers' Streak

The Associated Press

The Detroit Red Wings, having just acquired Brendan Shanahan in a blockbuster trade, completed a perfect day with a 2-0 home-opening victory over the Edmonton Oilers.

Vyacheslav Kozlov and Bob Rouse scored the goals as the Red Wings snapped the Oilers' three-game winning streak.

The game itself on Wednesday night was almost anticlimactic for the Red Wings, after a hectic week filled with trade rumors. Those rumors finally came true earlier in the day when the Red Wings sent holdout Keith Primeau, veteran Paul Coffey and a No. 1 draft pick to the Hartford Whalers in exchange for Shanahan and a minor leaguer.

Canadiens 6, Kings 3 Mark Recchi had two goals and two assists as Montreal beat Los Angeles, continuing their home-ice domination over the Kings.

Saku Koivu, Brian Savage, Stephane Richer and Martin Rucinsky also scored for Montreal, which won for the first time this season. Dimitri Khristich, Paul DiPietro and Yanic Perreault scored for Los Angeles.

Islanders 3, Senators 3 Alexandre Daigle scored with 1.5 seconds left in regulation and Ottawa salvaged a tie with the New York Islanders in the Senators' home opener.

NHL ROUNDUP

Daniel Alfredsson, voted the top NHL rookie last year, had pulled Ottawa within 3-2 with his second goal of the game at 17:00 of the third period. Rookie Andreas Johansson, Zigmund Palffy and Nicklas Andersson scored for the Islanders.

Mighty Ducks 2, Blackhawks 0 Mikhail Shtalenkov made 26 saves for his first career shutout and Teemu Selanne scored a shorthanded goal, leading Anaheim to victory over the host Chicago Blackhawks. Anaheim evened its record at 1-1-1, despite playing its third straight game without the team's injured star, Paul Kariya.

Blues 3, Flames 1 Goaltender Grant Fuhr made 31 saves as St. Louis beat Calgary. The only goal that Fuhr allowed was scored by Jarome Iginla in the second period. Brian Noonan, Jim Campbell and Joe Murphy scored for visiting St. Louis.

Sabres 2, Canucks 1 Dominik Hasek made a total of 34 saves and Brian Holzinger scored in the third period to lead Buffalo to victory over the host Vancouver Canucks. Hasek made 12 saves in the final period.

Holzinger broke a 1-1 tie at 5:42 of the third when he beat Kirk McLean with a high backhand shot on a rebound. Jason Dawe also scored for Buffalo, while Pavel Bure scored the Vancouver goal 14 seconds into the game.

In Bullish Mood, Jordan Says He's Well Motivated for Drive at Fifth Title

By Clifton Brown
New York Times Service

DEERFIELD, Illinois — Some time this season, the Chicago Bulls may encounter a problem they cannot handle. But while the rest of the National Basketball Association tries to figure out how to unseat them as champions, the Bulls have opened training camp confidently, almost smugly.

Michael Jordan spent far less time working out in the off season than he did a year ago. Who cares? Dennis Rodman said last week that he would retire after this season, then blasted Chicago's front office for taking so long to sign coach Phil Jackson. Who takes everything that Rodman says seriously anymore?

The Knicks, Chicago's longtime rivals, have retooled and reloaded, hoping to unseat the Bulls as champions. Think the Bulls are worried? No. With Jordan, Jackson and Rodman safely resigned for another season, the Bulls feel terrific about their chances to win their fifth title in seven years. In fact, only one team worries Chicago. And that team's the Bulls.

"If there is anything that will stop us this year, it will be ourselves, injuries, or age," Jackson said after a recent workout.

"When we play eight games in 11 days, those are the kinds of things that could bring us down. But one of our mottos is that you draft character, you don't instill it. Our three leaders, Scottie Pippen, Jordan and Rodman are so competitive, they want to win every game in scrimmage. I don't see them relaxing."

Age may be Chicago's lone weakness. Jordan (33), Pippen (31) and Rodman (35) each are at the stage where they begin to feel the toll of a grueling season. But with that age comes savvy.

Take Jordan. Despite taking an extended break from basketball during the summer, he also lost about 9 pounds (4 kilograms). Jordan figures the weight loss will lessen the strain on his legs and help him retain the quickness he relies on both defensively and offensively.

"I know I can still do the things I've always done," said Jordan. "Maybe you guys don't know. But I feel confident that I can play my game. If not, I wouldn't be here. We're smart. We may have a lot of age with us, but Phil knows how to manage minutes."

How does a man with a $30 million contract, eight scoring titles, and four NBA titles find motivation for this season? Jordan said it was easy. Magic Johnson won five titles during his career, and Jordan only has four championship rings. Who's counting? Jordan. "Sure, I want to win five, I want to win six," said Jordan.

"From a competitive standpoint, Magic's not playing, so I really don't look at it as competition with him. I look at it as wanting to win championships for as long as I play, no matter how long I play."

The season doesn't begin until Nov. 1, but Jordan already has been bombarded with the big question: Is this his last season? Either Jordan has not decided, or he will not say.

"You don't know what I'm going to do, and no one does," said Jordan. "I surprised you the last time, and I'm pretty sure I'll surprise you this time. But when it's over, these will be my two words. I'm done."

Until then, Jordan plans to keep the Bulls on top. When Jordan was asked about the changes the Knicks made, his knees did not buckle.

"On paper, they look really good," said Jordan. "But when you add new additions to your team, you have to have the right continuity, the right chemistry. No matter what they're doing, we have to worry about ourselves."

The only major off-season acquisition that Chicago made was to add 43-year-old Robert Parish as a backup center.

So while most teams hold two-a-day practices during training camp, the Bulls have been working only once daily. Jackson felt a veteran team like Chicago did not need two-a-day workouts. Throughout the season, Jackson's biggest challenge may be finding methods to keep Chicago's legs and minds fresh.

"We were kidding about it the other day," said Jerry Krause, Chicago's general manager. "The coaching staff's job is like being somebody's 10th husband. You know what to do. You know what's got to be done. But how do you make it interesting?

"But this group is a different breed of cat. They're all very confident. We didn't win all those games last year, and the games we've won through the years, without knowing how to win. And they're smart enough to remember why they won."

So after last season's record-setting 72-10 campaign, the Bulls figure why worry? Think about it. Even if they slip 10 games, the Bulls may be good enough to finish with the league's best record, or at least the best record in the Eastern Conference. Few people expect the Bulls to win 70 games again. But Jordan still expects the Bulls to win when it matters the most.

DENNIS THE MENACE

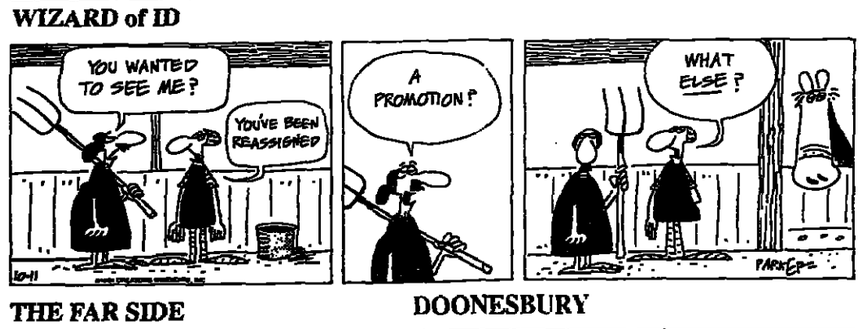
"MOM SAYS DENNIS IS A NICE NAME, SO HOW COMS MR. WILSON MAKES A FACE EVERY TIME HE HEARS IT?"

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

POCAN
MUHID
FALOFY
BLAVER

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

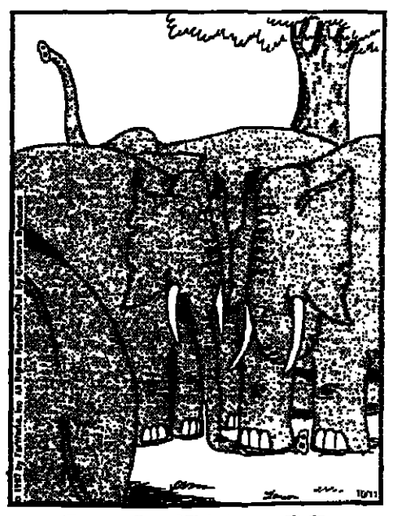
Print answer here: A ___ ___ AT THE ___ ___ ___ ___ ___

(Answers tomorrow)

Yesterday's Jumbles: SWOOP LIMBO BUSHEL TORRID
Answer: What the judge wanted to hear in the record case — BOTH SIDES

BEETLE BAILEY

THE FAR SIDE



"Two questions, Mitch: How much do you weigh, and what's the most sensitive part of any elephant's anatomy?"

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OBSERVER

The Scrapple Police

By Russell Baker

NEW YORK — I had just finished a plate of bacon and eggs sunny side up. It tasted so good that I decided to fry up a little scrapple. I was flouring the scrapple when the children burst in.

"What's going on here?" cried the girl. The boy was dialing 911 for an ambulance.

"Why are you trying to kill yourself?" the girl asked.

I thought about it a minute, then realized I didn't know. Maybe I was just tired of eating bran.

The boy recoiled when he saw the scrapple. "Scrapple!" he cried.

"He was going to eat scrapple too!"

"I had no intention of eating the scrapple," I lied. "I was just trying to see if I remembered how to cook it."

"Fried scrapple! I can't believe it," the girl said. "And on top of bacon and eggs!"

□

The boy was examining the remnants of the first course. "I think he had butter on his toast too," he said.

"Sure I had butter on the toast. And that's not all. coppers. I had sugar, deadly white refined sugar in my coffee."

"We are not policing you," said the girl. "Is the ambulance on the way?" she asked.

The boy said all the ambulances were tied up because of a hostage situation on the other side of town. A grandmother was holding her own son at chickenpoint.

"At chickenpoint?" I asked.

"She's threatening to eat a piece of fried chicken with the skin on unless he gives her back her cigarettes."

"I can't believe this." It was the girl. She had been poking around in the refrigerator. "Do my eyes deceive me or is this a pâté?"

"De foie gras," I admitted in my execrable French accent. "But I didn't eat any for breakfast."

The girl looked at the boy in despair. "What if the surgeon general of the United States finds out about this?"

□

The boy said they would deal with that later. The immediate problem, he said, was to search the fridge for deadly well-marbled beef, hot dogs and lunch meat with their death-dealing fat, and non-diet soda pop with its lethal sugar, and also — "Who was the rat that called you to come over here?" I asked. It was a neighbor, said the girl. The smell of frying bacon and eggs had permeated the neighborhood. Some dietary deviltry was obviously afoot.

Everybody could smell it. "I didn't mean any harm," I said. And I didn't. I hadn't had bacon and eggs for 30 years, nor scrapple since I was a boy 135 years ago. As for the pâté, it hadn't been touched since my 149th birthday party, honest. Cross my heart and hope to die.

In one fell yell both of them wailed: "Die? People who die let the family down!" That was unthinkable, so I went along peaceably to the cholesterol room, and afterward they said I would live to eat bran again.

So I live on, thanks to those loving children, in a world where cultural history begins with "Captain Kangaroo" and ends with the surgeon general of the United States denouncing scrapple.

New York Times Service

Alpine Blues: Playing at the 'Top of Europe'

By Mike Zwerin
International Herald Tribune

INTERLAKEN, Switzerland — Franco Ambrosetti was happy to be able to be on the top of the mountain on a work day playing the blues.

There was a lot of wind and snow on the Jungfrau, whichis advertised by the tourist office as the "Top of Europe." The George Gruntz Concert Jazz Band (GGCJB) was celebrating its 25th anniversary in the Jungfraujoch High Alpine Research Center up at 3,500 meters (11,482 feet). Co-founder Ambrosetti was in the breathless trumpet section. You can get blue in the face playing the blues on thin air.

Packing up after the concert, which had been taped by many cameras (the GGCJB has become a Swiss institution), Ambrosetti said that he has managed to balance two very different professions "with difficulty."

Thirty years ago, he had been a professional trumpet player. Twenty years ago he was a businessman trying to be professional about playing the trumpet. He remains chairman of the Chamber of Commerce of the canton of the Ticino, president of the European Wheel Manufacturers Association and chairman of the family business, Ambrosetti Technologies SA in Lugano, fabricators of airplane landing gear. It remains a delicate balance.

In the 1960s, instead of concentrating on his economics studies at the University of Basel, he spent six or seven hours a day practicing in a cellar in Zurich with the late trumpet giant Woody Shaw. With Shaw's help, Ambrosetti developed a prodigious technique. He performed all over Europe with Gruntz, Romano Mussolini, Gato Barbieri, Phil Woods and his European Rhythm Machine, and others.

Born in Lugano in 1941, Ambrosetti won the trumpet prize at an international competition organized by the Austrian crossover classical pianist Friedrich Gulda in Vienna in 1966. Cannonball Adderley, J.J. Johnson, Art Farmer, Ron Carter, Mel Lewis and Joe Zawnul were jurists. The young Czechs Miroslav Vitous, George Mraz and Jan Hammer also won prizes. It was a prestigious event that somehow legitimized European jazzmen.

But Franco's father, Flavio, suggested that it was time to make up his mind. An excellent bebop alto saxophone player, Flavio had always been supportive. On the other hand, he said that Franco could not go on getting money from the family without finishing his schooling.

Flavio had been down the same road. With a degree in mechanical engineering and a jazz contest prize of his own, he was running the family's steel wheel factory while leading his own band in festivals in Warsaw, Ljubljana, Pori in Finland and elsewhere. Thanks to Flavio's organizing flair and many contacts, Lugano had also become the seat of an important international jazz festival.

Not mere Saturday night hackers, the Ambrosettis were top-notch professional-level improvisers who were fortunate (or unfortunate) enough to have the choice between playing jazz and financial security. (Ironically, with the benefit of hindsight, both were talented enough to have been part of the fortunate minority who make a living with the music.)

Franco decided to go for a masters degree in economics. After graduating from the University of Basel and joining the family firm, he worked with even hotter and better-known names — Joe Henderson, Michael Brecker, John Scofield, Kenny Barron.

The recession hit as Flavio began to ease into retirement and Franco became the firm's managing director. Competition grew fierce. Ambrosetti Technologies lost money for two years. After turning it around, Franco sold the automotive wheel division and concentrated on landing gear. He also began to concentrate on the flugelhorn, a cousin to the trumpet better suited to his warm sound. Calling it "healthy stress," he tried to be creative in both worlds. But he found that this was no longer possible.

Jazzman Franco Ambrosetti juggles wheels and flugelhorns.

Back on the Jungfrau, the "Top of Europe," in the restaurant near "Europe's highest-altitude railroad station" on the Grindelwald Glacier, Ambrosetti was saying that during the prosperous 1970s and 1980s, he could manage both. But as the economy and the competition grew worse, he could no longer afford to be in New York playing at the Blue Note when an executive decision was required during a crisis on the assembly line in Lugano.

"Downsizing." He scowled pronouncing the word. Lugano is basically a small town and firing people who had worked for the firm for years, even decades, people he'd known since childhood, was the "hardest thing I've ever done."

He hired a new manager, "somebody tougher than me. My way of managing is obsolete. I was too sentimental for the job. Ethics are finished in the business world. There is no more integrity."

It was disturbing to see the cool knocked out of this sometimes intense but basically positive and good-natured man. Increasingly trancelike, he dissed the cutthroat frame of mind currently accepted as politically correct. A jolly fellow with a bushy moustache who had been here and there and everywhere helping the anniversary concert's organizers said hello and broke the spell. Ambrosetti smiled and introduced him.

Meet Colonel Ruedi von Gunten of the Swiss Air Force, and commanding officer of the Interlaken military airport. The fortunes of Ambrosetti Technologies had improved when Switzerland contracted to renew its air force with F-18 fighter planes manufactured by McDonnell Douglas. There was a buyback clause, and Ambrosetti in turn contracted to fabricate the landing gear. Von Gunten is responsible for their maintenance.

He is a fellow member of the Swiss jazz "mafia" which includes pianist, composer and conductor Gruntz, the successful painter and drummer Daniel Humair and the Ambrosettis — creative and sensitive yet practical people who earned enough money in straight life endeavors to have secured the establishment's approval.

Von Gunten plays Louis Armstrong-style trumpet in a Dixieland band that works once a week in Bern. It also played to help celebrate the occasion when McDonnell Douglas rolled its first Swiss F-18s out of the factory. Von Gunten's Dixieland band includes a sideman who plays the Alphorn.

Dolores Ochoa/The Associated Press

SINGING PRESIDENT — Abdala Bucaram, Ecuador's new leader, performing at the launch of an album he recorded with the Uruguayan group Los Iracundos.

PEOPLE

YES. **Whoopi Goldberg** will replace **Nathan Lane** on Broadway in "A Funny Thing Happened on the Way to the Forum" in February. The big question is whether she will play his role as a man or a woman. "That's an issue that will be worked out when Whoopi begins rehearsals," said the producer, **Roger Berlind.** In "Forum," which is set in ancient Rome, Lane plays Pseudolus, a wily slave who connives to win his freedom — and lusts mightily after women in the brothel next door. Announcing that Goldberg would take the part, Lane praised his successor as "one of the funniest people in the world and one of our finest actresses — with an Academy Award to prove it." Goldberg begins performances in the musical on Feb. 11 and will remain through June 29. Lane is leaving "Forum" to star in "Mousehunt," a movie.

□

Bob Geldof and his ex-wife, **Paula Yates,** have agreed to share custody of their three daughters. Geldof, the rock philanthropist and former lead singer for the **Boomtown Rats,** had sued for custody a month ago after Yates's home was raided by a drug squad while she and her boyfriend, **INXS** frontman **Michael Hutchence,** were in Australia. Police said they found opium in the house. "Two concerned parents came to court to do what each of them believed was right for their children," said Yates's lawyer, **Mark Stephens.** The former couple appeared friendly, and Geldof kissed Yates on the forehead. Yates gave birth to Hutchence's daughter two months ago.

□

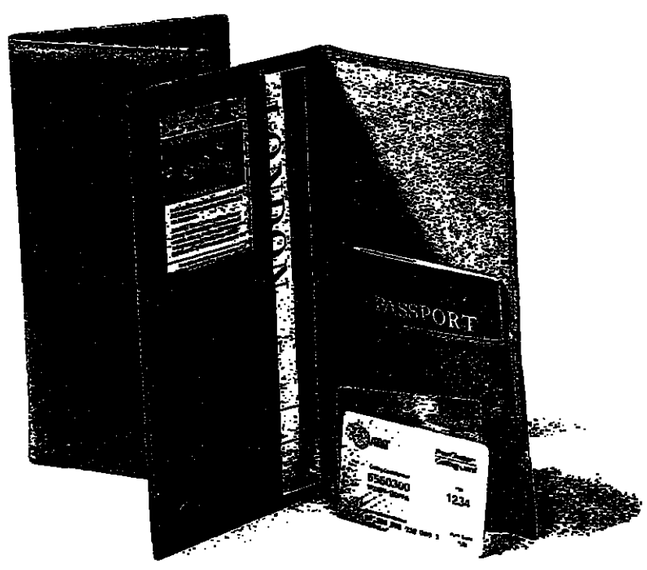
The filmmaker **Martin Scorsese,** whose directing credits include "Mean Streets," "Taxi Driver," "Raging Bull" and "The Age of Innocence," will receive the American Film Institute's top honor. Scorsese, speaking from Morocco, said he was "overwhelmed" by the honor, which puts him in company with such Hollywood legends as **John Ford** and **Orson Welles.** "It's a very, very special award and I'm quite overwhelmed by this," said the filmmaker, who is abroad directing a movie about the **Dalai Lama,** the Tibetan religious leader. Scorsese, 53, who has never won an Oscar, will receive the institute's 1997 Life Achievement Award at a tribute Feb. 20 in Los Angeles. Other past recipients include **James Cagney, Fred Astaire, Steven Spielberg** and, this year, **Clint Eastwood.**

□

"The Times They Are a-Changin'" — **Bob Dylan's** counterculture anthem of the '60s — is being used in a commercial for a Canadian bank, and some fans are up in arms. The Bank of Montreal is running a television commercial using the American singer's 1964 folk classic to lure baby boomers into the country's third biggest bank. The spot shows children running down country roads and across lush fields as a choir sings Dylan's song. The commercial ends with a Bank of Montreal logo and the promise of a big announcement on Oct. 16. The new campaign has drawn fire from Dylan fans angry that a big institution has co-opted this protest song from their youth. But a senior bank official said Dylan's lyrics reflected the bank's desire to change in the 1990s.

□

The wrap artists **Christo** and **Jeanne-Claude,** the astronaut **Thomas Reiter** and the Olympic gold medalist **Jens Weissflog** have been awarded Orders of Merit by **President Roman Herzog** of Germany. Christo and his wife and partner, Jeanne-Claude, were named for wrapping the Reichstag in fabric, which focused the art world's attention on Berlin in the summer of 1995. Reiter, a German with the European Space Agency, spent 179 days on the Russian space station Mir before returning to Earth in February. Weissflog, a three-time Olympic ski jumping champion, ended his competitive career in June. In all, 68 Germans and three foreigners received the awards, given to mark the anniversary of German unification in October 1990.



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